

Bipartisan Infrastructure Law Stakeholder Meeting

North Dakota State Revolving Fund Programs

Purpose

- Share what is and isn't known about the Bipartisan Infrastructure Law funding
- Receive feedback from stakeholders about use of the funds and how the North Dakota State Revolving Fund Programs can better facilitate funding

Funding

- Three “buckets” of funding:
 - Supplemental (DWSRF and CWSRF)
 - Emerging Contaminants (DWSRF and CWSRF)
 - Lead (DWSRF only)
- Priority lists need to clearly state which “buckets” projects are eligible for
- Project components may need to be split into different “buckets” (for example, water main replacement and lead service line replacement)

Funding

- States cannot expend only the additional subsidy portion of the grants
- Funds will not be available until the IUP has been reviewed and approved by EPA and the grant has been awarded
- All additional subsidy, with the exception of 75% of the DWSRF and 100% of CWSRF emerging contaminants funding, is required to be provided to disadvantaged communities

Supplemental SRF

Estimated* State Funding Levels 2023-2026

Year	Clean Water SRF Any Eligible Project	Drinking Water SRF Any Eligible Project	Mandated Additional Subsidy	Mandated Additional Subsidy (CWSRF)	Mandated Additional Subsidy (DWSRF)
2022	\$8.8 million	\$18 million	49%	\$4.3 million	\$8.8 million
2023	\$11 million	\$22 million	49%	\$5.4 million	\$10.8 million
2024	\$12 million	\$24 million	49%	\$5.9 million	\$11.8 million
2025	\$13 million	\$26 million	49%	\$6.4 million	\$12.7 million
2026	\$13 million	\$26 million	49%	\$6.4 million	\$12.7 million
TOTAL	\$57.8 million	\$116 million		\$28.4 million	\$56.8 million

*Based on North Dakota's previous allocations

Emerging Contaminants

Estimated* State Funding Levels 2023-2026

Year	Clean Water SRF	Drinking Water SRF	Mandated Additional Subsidy
2022	\$462,000	\$7.5 million	100%
2023	\$1.125 million	\$8 million	100%
2024	\$1.125 million	\$8 million	100%
2025	\$1.125 million	\$8 million	100%
2026	\$1.125 million	\$8 million	100%
TOTAL	\$5 million	\$39.5 million	

*Based on North Dakota's previous allocations



Emerging Contaminants: CWSRF

- Eligible: CWSRF-eligible projects that address substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or reemerging risks to human health, aquatic life, or the environment.
- Not Eligible: Projects that address contaminants with water quality criteria established by EPA under CWA section 304(a), except for PFAS.

Emerging Contaminants: DWSRF

- Eligible: DWSRF-eligible projects for which the primary purpose is to address PFAS or contaminants on any of EPA's Contaminant Candidate Lists (CCL).
- Not Eligible: Projects for which the primary purpose is to address contaminant(s) with a National Primary Drinking Water Regulation (with PFAS exception)

Emerging Contaminants



What kinds of projects do you anticipate submitting for the priority lists?

Lead

Estimated* State Funding Levels

Year	Drinking Water SRF	Mandated Additional Subsidy	Mandated Additional Subsidy
2022	\$28.2 million	49%	\$14.1 million
2023	\$28.2 million	49%	\$14.1 million
2024	\$28.2 million	49%	\$14.1 million
2025	\$28.2 million	49%	\$14.1 million
2026	\$28.2 million	49%	\$14.1 million
TOTAL	\$141 million		\$70.5 million

*Based on North Dakota's previous allocations

Lead

- Funding can be used for inventories (question: would you utilize funding for completing inventories?)
- Funding must be used for full replacement or partial replacement only when a portion has already been replaced
- Different project methods
 - City replaces whole line
 - City replaces public portion, homeowner replaces private portion and is reimbursed

Lead

- EPA encourages states to fund the private portion of lead service line replacements at no additional cost to homeowners
- Based on past project demand, the North Dakota DWSRF program does not anticipate having any interest in this funding unless additional subsidy is offered. Therefore, disadvantaged communities will likely be limited to 49% loan forgiveness.

Lead



Would you use the
DWSRF program to fund
lead service line
inventories?

Disadvantaged Communities: DWSRF

- Disadvantaged community definitions are set by each state.
- “EPA expects states to review, refine, and improve as necessary, their disadvantaged community definition and affordability criteria to ensure that they are reflective of current affordability issues within the state.”
- North Dakota is reviewing its definition and is anticipating refining its definition
- EPA is working on a document to compile different state definitions to assist states in their review.

Disadvantaged Communities: DWSRF

$$\text{Relative Future Water Cost Index} = \frac{\text{Annual Residential Water User Rates After Project}}{\text{Annual Median Household Income}}$$

2.0% or greater – eligible for up to 75% loan forgiveness

1.5% to 1.9% - eligible for up to 40% loan forgiveness

Annual residential water user rates are self-reported by the water system.

Annual median household income is gathered from American Community Survey data

Disadvantaged Communities: DWSRF

- Example criteria provided by EPA:
 - Communities with census tracts that have [X poverty indicator] are eligible for lead service line additional subsidy if the recipient uses those funds for the direct benefit of those residents
 - Community median household income (MHI) is less than 80% of state MHI
 - Communities with \$25,766 or less upper limit of Lowest Quintile Income
 - Communities with greater than or equal to 30.9% population living under 200% of poverty level
 - Community with census tracts that have a poverty rate greater than or equal to 20%
 - Communities with greater than 3.4% unemployed population greater than 16 years in civilian labor force

Disadvantaged Communities: DWSRF

- Example criteria provided by EPA:
 - Communities with greater than 12.1% vacant households
 - Community in a county with a Social Vulnerability Index score higher than 0.80
 - Combined sewer and drinking water costs are greater than 2% of the 20th percentile household income (i.e., the lowest quintile of income for the service area)
 - Communities with greater than 11.7% population receiving food stamps/SNAP benefits

Disadvantaged Communities: DWSRF



What criteria should the North Dakota DWSRF use in defining disadvantaged communities?

Affordability Criteria: CWSRF

Section 603(i)(2) of the CWA specifically requires states to develop affordability criteria for distribution of additional subsidization based on:

- Income
- Unemployment data
- Population trends
- Other data determined relevant by the state

Affordability Criteria: CWSRF

a. Median Household Income (MHI)

MHI Less than 60% of State MHI	20
MHI Between 60% and 100% of State MHI	10
MHI greater than 100% of State MHI	0

b. Relative Future Wastewater Cost Index (RFWCI)

RFWCI greater than 2%	40
RFWCI between 1.5% and 2%	20
RFWCI less than 1.5%	0

c. Unemployment

City unemployment rate is more than State unemployment rate	20
City unemployment rate is less than or equal to State unemployment rate	0

d. Population Trends

City population % change is greater than State population % change	20
City population % change is less than or equal to State population % change	0

Affordability Criteria: CWSRF



Any concerns with the criteria that the North Dakota CWSRF utilizes in the affordability criteria?

CWSRF Questionnaire



CLEAN WATER STATE REVOLVING FUND (CWSRF) QUESTIONNAIRE

DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF MUNICIPAL FACILITIES
4-2022

This questionnaire needs to be completed and submitted by the given deadline date for a project to be placed on the CWSRF Priority List which is a requirement for financing eligibility.

System Information & Certifying Official

Name of City, Utility, or Sponsoring District:	
Address:	City/State/Zip Code:
Contact Person & Title:	Telephone Number:
I certify that the information herein is accurate. Signature:	Email: Date:
Consulting Engineering Firm (if any):	Engineering Firm Contact Name/Email/Phone Number:

Project Information

Project Name and Description (Provide enough detail so that the scope and location of the project can be determined. Attach additional information as needed, including available engineering reports):		
Desired Number of Years to Repay Loan (maximum of 30 years dependent on useful life of components):		
Anticipated Start Dates for Project: Planning:	Design:	Construction:

Project Cost & System Information

1. What is the total estimated cost for this project?	\$
2. What is the total estimated CWSRF amount?	\$
3. What is the total estimated grant amounts from other funding?	
4. What portion of the total project cost is related to emerging contaminants? Which emerging contaminant(s):	\$
5. What is the total number of service connections/users currently for this system?	
6. What is the total number service connections/users following project completion?	
7. How many service connections/users will be sharing the cost of the project?	
8. What is the current <u>annual</u> residential user charge for this systems service?	\$

Category Cost

To assist us in completing the Clean Water Needs Survey, please separate out the project's components with their respective cost.

<input type="checkbox"/> Sanitary Sewer	Secondary Wastewater Treatment (I)	\$
	Advanced Wastewater Treatment (II)	\$
	Water Reuse (X)	\$
	Infiltration/Inflow Correction (III-A)	\$
	Sewer Replacement/Rehabilitation (III-B)	\$
<input type="checkbox"/> Stormwater	New Collector Sewers (IV-A)	\$
	New Interceptor Sewers (IV-B)	\$
	Gray Infrastructure (VI-A)	\$
	Green Infrastructure (VI-B)	\$
	General Stormwater Management (VI-C)	\$
<input type="checkbox"/> NPS Control	Landfills (VII-J)	\$
<input type="checkbox"/> Water Efficiency	Water Meters	\$

The Overview of Clean Water State Revolving Fund Eligibilities which can be opened at:
https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf

Green Project Reserve (GPR) Information

Is there a proposed GPR component of this project? If yes, please identify the category, describe, and include estimated GPR amount. If not, please explain why.

<input type="checkbox"/> Green Infrastructure	\$
<input type="checkbox"/> Energy Efficiency	\$
<input type="checkbox"/> Water Efficiency	\$
<input type="checkbox"/> Environmentally Innovative	\$

Explanation for no GPR components:

Additional information concerning GPR requirements can be found using the links below:

- https://www.epa.gov/sites/production/files/2015-04/documents/green_project_reserve-crosswalk-table.pdf
- https://www.epa.gov/sites/production/files/2015-04/documents/green_project_reserve_eligibility_guidance.pdf


Refinance of Existing Debt

Does this project involve the refinance of existing debt on a past infrastructure project?				Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, please fill out the following information:				
Lender	Remaining loan balance	Interest rate	Remaining loan term in years	
Original construction date				

Please direct this questionnaire to ndsrf@nd.gov. The CWSRF Program can be reached at 701-328-5211.

DWSRF Timeline

- May 2 to July 1: accept questionnaires
- July: DWSRF staff rank questionnaires and prepare IUP
- Mid-August: draft IUP sent out
- Early September: public hearing
- Late September: public comment period closes
- October: State Water Commission approval and grant application submitted
- Early 2023: funds available



Schedule
subject to
change

DWSRF Questionnaire

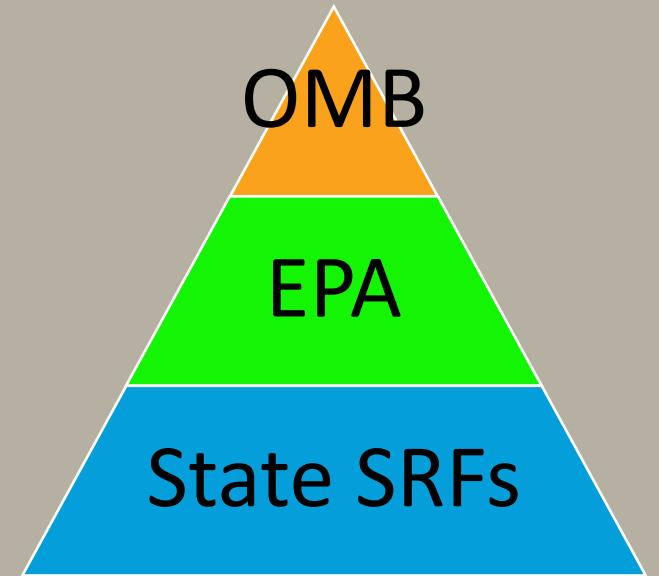
[illegible]

Other Funding

- The BIL also funds other grants that are not required to be administered through the state SRF programs
- WIIN Small, Underserved, and Disadvantaged Communities Emerging Contaminants

BABAA

- “Build America, Buy America Act”
- Effective date is May 14, 2022
- OMB has released its guidance
- EPA has to develop its own guidance
- EPA is expected to issue an “adjustment period” waiver
- Will apply to equivalency projects only
- Question: what supply issues are you seeing in current projects?
Either with or without existing American Iron and Steel requirements?



Strategies

- When bidding USDA Rural Development projects, consider including the SRF boiler plate. Why?
 - USDA Rural Development projects will be subject to BABAA
 - Interest rates are projected to increase 11 times in the next 2 years

Funding Infrastructure in ND (FIND)

Sources

Funding Amount Requested - Include Amount Requested for All State Funding Sources

State FY1	State FY2	Beyond State FY2	Total Cost	Source	Type	Term	Interest Rate
\$0.00	\$913,975.00	\$304,659.00	\$1,218,634.00			0.00	0.00
\$0.00	\$913,975.00	\$304,659.00	\$1,218,634.00				

Other Funding Sources

Type	Source	Grant or Loan	State FY1	State FY2	Beyond State FY2	Total Other Sources
Federal	FEMA	Grant	\$0.00	\$1,026,025.00	\$0.00	\$1,026,025.00
State	SWC (Approved)	Grant	\$461,301.00	\$1,404,712.00	\$468,237.00	\$2,334,250.00
Local	Cash Reserves	N/A	\$248,393.00	\$0.00	\$0.00	\$248,393.00
Other	Industry	N/A	\$154,416.00	\$1,188,962.00	\$396,320.00	\$1,739,698.00
			\$864,110.00	\$3,619,699.00	\$864,557.00	\$5,348,366.00

Questions



Are there any parts of the SRF programs for which you would like additional training?

Open Discussion



Contact Information

Shannon Fisher, P.E.

DWSRF Program Manager
smfisher@nd.gov
701-328-5220

Elizabeth Tokach Duran, P.E.

CWSRF Program Manager
etokachduran@nd.gov
701-328-5256

DeAnn Ament, CPA CGMA

PFA Executive Director
dament@nd.gov
701-426-5723