



COMBINED SEWER OVERFLOW (CSO) PROJECT FUNDING OPPORTUNITIES

ABOUT THE NEW JERSEY WATER BANK (NJWB)

The New Jersey Water Bank (NJWB) finances water infrastructure in New Jersey, with low interest rate loans and principal forgiveness (PF) to eligible project sponsors. The NJWB offers a variety of funding packages through the Clean Water Program, including gray and green infrastructure projects, to help CSO communities meet their CSO control goals and comply with State policy. The American Rescue Plan Act (ARPA) provided historic funds for sponsors to fund projects identified in their Long-Term Control Plans.

Sponsors for Combined Sewer Overflow (CSO) projects continue to be eligible for significant PF this State Fiscal Year or SFY 2025 (July 1st, 2024, to June 30th, 2025). Disadvantaged Communities (DACs) are also eligible to receive free technical assistance, planning and design PF loans, and guaranteed funds at the time of construction certification.

FUTURE CSO POSSIBILITIES



\$94 M

In Principal Forgiveness available for CSO Projects in SFY 2025

QUICK DEFINITIONS

Affordability Criteria (AC): Criteria developed to identify applicants that would have difficulty financing projects without additional subsidization, including the Project Affordability Score and the Environmental Justice Economic Overburdened Community Criteria. See Appendix 2 of the SFY25 Intended Use Plan.

Allowable Costs: Costs that qualify for NJWB financing pursuant to N.J.A.C. 7:22-5.

Principal Forgiveness (PF): The portion of the DEP loan share that is eligible to be forgiven, meaning it does not need to be paid back.

Sponsor: The entity which is eligible to sponsor the project, including owners of public treatment works, public conduit borrowers, and private universities.

CSO FUNDING SUCCESSES



\$92 M

In Obligated ARPA Funds to Projects Identified in Long Term Control Plans to Date



\$48 M

In Principal Forgiveness to CSO Projects in SFY 2023

FUNDING SOURCES

Bipartisan Infrastructure Law (BIL)

The SFY 2025 Water Bank Program features enhanced principal forgiveness (PF) afforded by the BIL, including approximately \$166 million in PF for the Clean Water Program.

American Rescue Plan Act (ARPA)

ARPA funds will be used to make PF loans to applicants sponsoring eligible CSO projects listed on the CSO long-term control plans submitted to the DEP.

SFY 2025 FUNDING PACKAGES (see next page for more details)

Funding Packages	Principal Forgiveness	Projected PF Available	DEP Loan Share (Loan w/ PF)	I-Bank Loan Share
CSO LTCP ARPA Projects	80% No Cap	\$2M	90%	10%
CSO Abatement	50% \$5M Cap	\$20M	75%	25%
CSO Abatement/ Affordability Criteria	100% \$7-\$8M Cap	\$30M	75% Min	25% Max
Affordability Criteria	100% \$2-\$3M Cap	\$40M	75% Min	25% Max
Stormwater Resilience ARPA	80% No Cap	\$20	90% Min	10% Max
Overflow and Stormwater Grant (OSG)	20% \$0.4M Cap	\$2M	20%	-

* Funding Packages are subject to change from year to year and may be amended in a given Fiscal Year



CSO FUNDING PACKAGES FOR SFY 2025

CSO Long-Term Control Plans (LTCP) \$2 million PF available through ARPA

Projects related to LTCP implementation are eligible for PF up to 80% of allowable costs with a 50/50 DEP/I-Bank loan share for the remaining amount. There is no PF Cap for these projects, but available PF funds are limited.

CSO Abatement \$20 million PF available

CSO projects that utilize gray and/or green infrastructure are eligible for PF funding up to 50% of allowable costs and a 50/50 DEP/I-Bank loan share for the first \$10M. Costs over \$10M will receive a 75/25 DEP/I-Bank loan share.

Stormwater Resilience \$20 million available through ARPA

CSO projects that focus on stormwater resilience, such as green infrastructure, nature-based solutions are eligible for PF funding up to 80% of allowable costs and a 50/50 DEP/I-Bank loan share. There are no PF caps for these projects, but available PF funds are limited.

Sewer Overflow and Stormwater Reuse Grant (OSG) Program \$2 million PF available

Projects that address CSO or stormwater management needs may receive an OSC grant for up to 80% of the allowable costs and a PF loan for the remaining 20% for up to \$2M in project costs. The DEP fee is waived for the PF portion of the loan.

TIERED AFFORDABILITY FOR DISADVANTAGED COMMUNITIES

The NJ Water Bank (NJWB) is offering tiered PF for DACs based on their Affordability Scores to ensure the most financially challenged receive additional assistance. The tiers are as follows:

- **Tier AC1:** Affordability Scores 65 or below
- **Tier AC2:** Affordability Scores 66 to 80

CSO Abatement/Affordability \$30 million PF available

CSO Abatement projects in communities that meet the CWSRF Affordability Criteria are eligible for tiered PF. Sponsors are eligible for 100% PF up to the tiered PF cap and a 75/25 DEP/I-Bank loan share for the remainder. The DEP fee is waived for the PF portion of these loans.

- **AC1:** PF Cap of \$8M
- **AC2:** PF Cap of \$7M

When PF funds are exhausted, sponsors will receive a 75/25 DEP/I-Bank loan share and may take advantage of the Affordability Package. They cannot be stacked.

Affordability Criteria \$40 million PF Available

Projects meeting the SFY2025 Affordability Criteria are eligible for tiered PF. Sponsors are eligible for 100% PF up to the tiered PF cap and a 75/25 DEP/I-Bank loan share for the remainder. The DEP fee is waived for the PF portion of these loans.

- **AC1:** PF Cap of \$3M
- **AC2:** PF Cap of \$2M

HOW TO APPLY!

1

Set up an H2LOans account by calling the I-Bank at 609-219-8601.

2

Submit project information to be put on the Project Priority List (PPL).

3

Schedule a pre-planning meeting with NJWB by contacting your project manager or calling NJWB at 609-633-1170.

LEARN MORE

Learn more about funding packages and the Affordability Criteria in the most up to date [Intended Use Plan](#).

Learn more about the application process in our [SRF Applicant Guidance](#).

CONTACT US

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NEW JERSEY'S TECHNICAL ASSISTANCE PROGRAM FOR DACS

A variety of no-cost technical assistance services are available to water and wastewater systems to assist with NJWB program navigation, fiscal and needs assessments, community engagement, and engineering services. The program is prioritizing disadvantaged and overburdened communities meeting the Affordability Criteria.

Disadvantaged communities participating in the Clean Water Technical Assistance Program are eligible to receive **free principal forgiveness and planning and design grants up to \$2 million**. DACs are guaranteed at least \$2 million in additional PF or the best available funding package applicable to their project at the time of construction certification. See the current IUP to learn more.

Interested parties can fill out the [Technical Assistance Request Form](#) on the Water Infrastructure Investment Plan (WIIP) website to apply.