



# Public Hearing on Proposed SFY25 Clean Water and Drinking Water State Revolving Fund Intended Use Plans

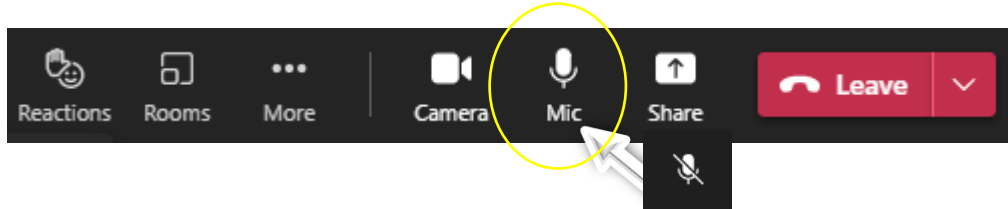
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January 10, 2024





# Ground Rules:



For the best audio quality, please stay **muted** unless you have been called upon for comment.

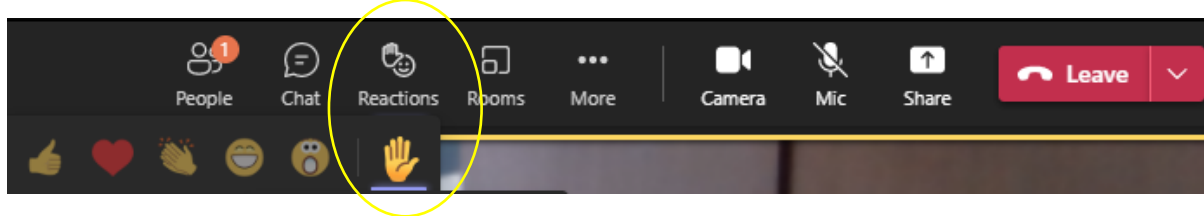
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- click the “raise your hand” function.

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  - **Your First and Last Name**
  - **The Organization you are representing**
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# Submitting Written Comments

The email address for written comments is [waterbankinfo@dep.nj.gov](mailto:waterbankinfo@dep.nj.gov). Hard copies of written copies may also be mailed to:

Paul Hauch, P.E., Bureau Chief  
Municipal Finance and Construction Element  
Division of Water Quality  
PO Box 420  
401 East State Street, 3rd Floor, West Wing  
Trenton, New Jersey 08625-0420

Written comments will be accepted until the close of business on Wednesday January 31, 2024.





**Proposed SFY 2025 SRF Programs**

# SFY25 CWSRF and DWSRF IUPs Highlights

- ✓The proposed SFY25 CW and DW ranking systems are identical to those finalized in SFY24.
- ✓\$2 million in American Rescue Plan Act (ARPA) funds for CWSRF and \$5 million in ARPA funds for DWSRF are projected to be carried over from SFY24 to be used in SFY25 for principal forgiveness loans. SFY25 includes an **additional \$10 million ARPA allocation for CWSRF Stormwater Resilience**.
- ✓The Water Bank Program has expanded **technical assistance programs** designed to deploy early engineering and engagement assistance to disadvantaged communities which would help them refine their water infrastructure needs, facilitate communications within their communities, and navigate the Water Bank application process.
- ✓CWSRF and DWSRF have **doubled most financing package caps** and have added **Affordability Tiers** providing more principal forgiveness to Sponsors with an Affordability Score of 65 and under.
- ✓CWSRF and DWSRF have added an **Enhanced Base package** with a better DEP loan share for Sponsors with an Affordability Score under 100.
- ✓CWSRF and DWSRF **Affordability Criteria developed in for SFY24** will continue to be used in SFY25.



# SFY 2025 Clean Water SRF Funding Packages & PF



Clean Water Funding Packages	PF Share	PF Cap per Applicant	Projected PF Available	DEP Share (Loan w/ PF)	I-Bank Share
CSO LTCP ARPA Projects <sup>1</sup>	80%	No Cap	\$2M	90%	10%
CSO Abatement	50%	\$5M	\$30M <sup>5</sup>	75%	25%
CSO Abatement/ Affordability Criteria	100% <sup>3</sup>	\$7M-\$8M <sup>4</sup>	\$50M <sup>5</sup>	75% Min	25% Max
Water Quality Restoration	50%	\$2.5M	\$10M	75%	25%
Affordability Criteria	100% <sup>3</sup>	\$2M - \$3M <sup>4</sup>	\$48M	75% Min	25% Max
Energy and Water Efficiency Projects	50%	\$2M	\$20M	75%	25%
Overflow and Stormwater Grant (OSG) CW SRF PF Loans <sup>2</sup>	20%	\$0.4M	\$2M	20%	-
Stormwater Resilience	80%	No Cap	\$10M	90% Min	10% Max
Emerging Contaminants	100% <sup>3</sup>	\$10M	\$18 M	75% Min	25% Max
Base CWSRF	-	-	-	50%	50%
Enhanced Base CWSRF	-	-	-	75%	25%
Brownfield Redevelopment (Conduit/PPP)	-	-	-	25%	75%

1. When CSO LTCP ARPA principal forgiveness funds are exhausted, applicants may access financing available under other applicable CWSRF principal forgiveness and funding categories
2. OSG CW SRF PF Loans will be awarded to CWSRF projects that receive an Overflow and Stormwater Grant (OSG). The OSG will cover 80% of the project costs (project costs capped at \$2 million) and the OSG CW SRF PF Loan will cover 20% of the project costs. Disadvantaged Communities are eligible to receive OSG grant funding for up to 100% of eligible project costs. Costs in excess of \$2 million may be eligible for funding and PF under the CSO Abatement or CSO Abatement/Affordability Criteria categories.
3. The first \$7-\$8 million of CSO Abatement/Affordability projects, the first \$2-\$3 million of Affordability Criteria projects, and the first \$2 million of Emerging Contaminants project will receive 100% principal forgiveness to the extent principal forgiveness funds are available.
4. PF Caps for Affordability and CSO Abatement Affordability are tiered by Affordability Score.
5. \$5M set aside for CSO Green Infrastructure Projects



# SFY 2025 Drinking Water SRF Funding Packages & PF



Drinking Water Funding Packages	PF Share	PF Cap per Applicant	Projected PF Available*	DEP Share (Loan + PF)	I-Bank Share
Base DWSRF- Public	-	-	-	50%	50%
Base DWSRF- Investor-Owned	-	-	-	50%	50%
Enhanced Base DWSRF (AC Score 100 or less)	-	-	-	75%	25%
Lead Service Line Replacement w/ no PF	-	-	-	80%	20%
Emerging Contaminants w/ no PF	-	-	-	75%	25%
High Rank Affordability Projects	100%	\$2-\$3M <sub>1</sub>	\$20M	75% Min	25% Max
Nano (serving 10,000 customers or less)	50%	\$1M	\$7M	75% Min	25% Max
Very Small Water Systems (serving 1,000 or less)	100%	No cap	\$6M	-	-
Lead Service Line Replacement	50%	\$10-\$16M <sub>1</sub>	\$92M	75-90% Min	25-10% Max
Emerging Contaminants (including PFAS)	100%	\$2M	\$34M	75% Min	25% Max

1. PF Caps for High Rank Affordability and Lead Service Line Replacement are tiered by Affordability Score.

\* Any principal forgiveness available under the BIL funds carried over from SFY24 will be used in the same categories for SFY25 and estimated carried over amounts are included in the totals noted in the chart above.

# Project Cap Increases from \$10 Million to \$20 Million!

## SFY 2025 DW Packages

Base DWSRF- Public	-
Enhanced Base Public (AC Score 100 or less)	<b>\$10→\$20M</b>
Base DWSRF- Investor-Owned	-
High Rank Affordability Projects (AC 1) & (AC2)	<b>\$10→\$20M</b>
Nano (serving 10,000 customers or less)	\$1→\$2M
Very Small Water Systems (serving 1,000 or less)	Cap removed
Lead Service Line Replacement (AC 1), (AC2) & w/o PF	<b>\$10→\$20M</b>
Emerging Contaminants (including PFAS) w/ & w/o PF	<b>\$10→\$20M</b>
Climate Change/ Resilience or Projects to comply with Multiple MCLs (ARPA)	\$25M

## SFY 2025 CW Packages

Base CWSRF	-
Enhanced Base CWSRF (AC Score 100 or less)	<b>\$10→\$20M</b>
Brownfield Redevelopment (Conduit/PPP)	-
CSO LTCP ARPA Projects	-
Stormwater ARPA Projects	-
CSO Abatement	<b>\$10→\$20M</b>
CSO Abatement/ Affordability Criteria (AC 1) & (AC2)	<b>\$10→\$20M</b>
Water Quality Restoration	<b>\$10→\$20M</b>
Affordability Criteria (AC 1) & (AC2)	<b>\$10→\$20M</b>
Energy and Water Efficiency Projects	<b>\$10→\$20M</b>
Overflow and Stormwater Grant (OSG) CW SRF PF Loans	\$1→\$2M
Emerging Contaminants	<b>\$10→\$20M</b>



# Enhanced Packages for Disadvantaged Communities

- Tiered packages give more PF to the most disadvantaged
  - *AC2= DAC w/ AC Score above 65 to 80*
    - *72 Municipalities*
  - *AC1= DAC w/ AC Score 65 or below*
    - *55 Municipalities*

SFY 2024 Base Packages	PF Cap	PF %		SFY 2025 Base Packages	PF Cap	PF %
DW High Rank Affordability	\$2M	100%	→	DW High Rank Affordability (AC2)	\$2M	100%
			+	DW High Rank Affordability (AC1)	<b>\$3M</b>	<b>100%</b>
DW Lead Service Line Replacement	\$5M	50%	→	DW Lead Service Line Replacement (AC2)	\$10M	50%
			+	DW Lead Service Line Replacement (AC1)	<b>\$16M</b>	<b>80%</b>
CW Affordability Criteria	\$2M	100%	→	CW Affordability Criteria (AC2)	\$2M	100%
			+	CW Affordability Criteria (AC1)	<b>\$3M</b>	<b>100%</b>
CW CSO Affordability	\$5M	100%	→	CW CSO Affordability (AC2)	\$7M	100%
			+	<b>CW CSO Affordability (AC 1)</b>	<b>\$8M</b>	<b>100%</b>

# Increased DEP Loan Share & Enhanced Base Packages

- For packages without principal forgiveness (PF)
- Better packages for sponsors with AC Score 100 and under
  - *126 Municipalities with AC Score between 81 and 100*
- Better packages for high priority projects (LSLR and Emerging Contaminants)

SFY 2024 Base Packages	DEP/ I-Bank		SFY 2025 Base Packages	DEP/ I-Bank
Base CWSRF	50/50	→	Base CWSRF	50/50
		+	Enhanced Base CWSRF (AC Score 100 or less)	75/25
Base DWSRF- Public	50/50	→	Base DWSRF- Public	50/50
		+	Enhanced Base Public (AC Score 100 or less)	75/25
		+	Lead Service Line Replacement (non-DAC)	80/20
		+	Emerging Contaminants (exhausted PF)	75/25
Base DWSRF- Investor-Owned	25/75	→	Base DWSRF- Investor-Owned	50/50



## Water Infrastructure Investment Plan

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New Jersey Water Bank

IUP & Project Priority Lists

Spending Dashboard

Needs Surveys

WIIP Sessions

Guidance & Forms

Submit Comments

Contact Us

New Jersey Water Bank

About Us

How to Apply

Eligibility

Technical Assistance

Technical Assistance Form

## Water Infrastructure Investment Plan – Technical Assistance Request Form

will be offering no cost assistance to water systems for various activities such as engineering services, program navigation, and financial and needs assessments.

## Technical Assistance

<https://dep.nj.gov/wiip/nwb-process/technical-assistance-info/>



New Planning and Design Loan principal forgiveness (\$40 million total) for sponsors participating in the DW and CW Technical Assistance Programs.

100% Principal Forgiveness

\$2 Million Cap per Project

Capital Improvement Project Expected within 5 Years



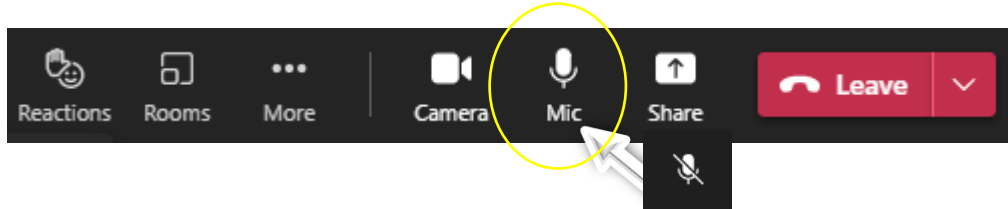
Guaranteed funds for capital improvement projects (\$40 million total) for sponsors participating in the DW and CW Technical Assistance Programs.

\$2 Million Cap per Project or

Best Available IUP Package at the Time of Construction Contract Certification



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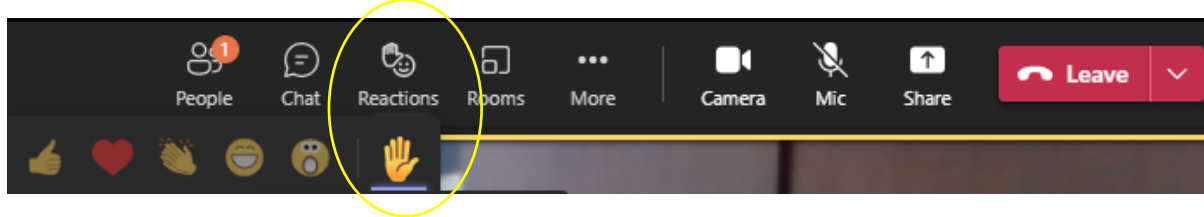
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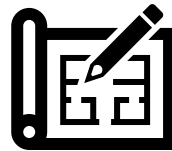
# IUP Timeline

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**January 11,  
2024**

Conduct public  
hearing, collect  
comments on IUPs.



**January 31,  
2024**

30-day comment  
period ends



**Mid-March  
2024**

Publish Final IUPs and  
Response to  
Comments

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Please send comments on IUP Amendments to:

[waterbankinfo@dep.nj.gov](mailto:waterbankinfo@dep.nj.gov)

or

<https://dep.nj.gov/wiip/submit-comments/>



Thank you!

Water Resources Management