



**State of New Jersey**  
**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

PHILIP D. MURPHY  
*Governor*

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SHAWN M. LATOURETTE  
*Commissioner*

SHEILA Y. OLIVER  
*Lt. Governor*

December 22, 2023

**NOTICE OF OPEN PUBLIC COMMENT PERIOD**  
**Clean Water State Revolving Fund**  
**Drinking Water State Revolving Fund**  
**Priority Systems, Intended Use Plans, and Project Priority Lists**

Dear Interested Party:

The Department of Environmental Protection (Department) has prepared the following documents for the administration of the FFY2024/SFY2025 Clean Water State Revolving Fund ("CWSRF") and the Drinking Water State Revolving Fund ("DWSRF"):

Proposed  
Clean Water State Revolving Fund  
Priority System, Intended Use Plan, and Project Priority List  
Federal Fiscal Year 2024 (and State Fiscal Year 2025)  
CWSRF Base  
CWSRF General Supplemental  
CWSRF Emerging Contaminants

Proposed  
Drinking Water State Revolving Fund  
Priority System, Intended Use Plan, and Project Priority List  
Federal Fiscal Year 2024 (and State Fiscal Year 2025)  
DWSRF Base  
DWSRF General Supplemental  
DWSRF Emerging Contaminants  
DWSRF Lead Service Line Replacement

In FFY2024/SFY2025, thanks to the federal Bipartisan Infrastructure Law (BIL) and continued State investments by Governor Phil Murphy and our State Legislature, the Department continues the Water Infrastructure Investment Planning begun in SFY 2023 to spark community investments in upgrading drinking water and wastewater infrastructure. The proposed Priority System, Intended Use Plan, and Project Priority List documents (Intended Use Plan or IUP) set the project priorities and the funding packages that will accomplish this by utilizing the hundreds of millions of dollars available for communities and utilities. The IUPs must be developed by the Department, undergo a public participation process, and be approved by the US Environmental Protection Agency (USEPA) for the Department to be awarded the annual capitalization grants and additional federal funding available as a result of the BIL, which is used to finance water and wastewater infrastructure projects.

On November 15, 2021, President Joe Biden signed the BIL which is expected to provide nearly \$1 billion in funding over the five-year appropriation (FFY 2022 to FFY 2026) to New Jersey's Clean Water and Drinking Water State Revolving Funds (SRFs). For SFY 2025, New Jersey's SRFs expect an allocation of approximately \$286.1 million, which includes \$132.3 million for the Clean Water SRF and \$153.8 million for the Drinking Water SRF. The FFY2024 annual DWSRF and CWSRF capitalization grants and the additional funding anticipated as a result of the BIL are targeted to be awarded to the Department in September 2024 or sooner, for use in the State Fiscal Year 2025 Financing Program (July 1, 2024 to June 30, 2025).

### **Clean Water State Revolving Fund (CWSRF) Program**

Clean Water projects eligible for financing include a wide variety of wastewater treatment works, stormwater management, land acquisition, and certain water quality protections attendant to landfills. In SFY 2025, the Program will continue to offer very attractive low-cost financing packages, including principal forgiveness (PF) and low interest loans for high priority projects.

The Department plans to utilize approximately \$114 million of unallocated principal forgiveness (PF) or grant-like funding carried over at the end of SFY 2024 as PF in SFY 2025 for categories set forth in the CWSRF IUP. The Department will supplement the carried over PF funds with approximately \$12 million projected to be available under the FFY 2024 CWSRF Base grant (CW Base FFY24). In addition, the Department expects to receive authority to award approximately \$54 million in additional PF made available by the BIL. This includes approximately \$46 million for eligible clean water projects under the FFY 2024 CWSRF General Supplemental grant (CW BIL GEN) and approximately \$9 million for projects that address emerging contaminants under the FFY 2024 CWSRF Emerging Contaminants grant (CW BIL EC). Funds and PF authority available from the grant awards will be blended with carryover PF authority from prior grants, CWSRF repayments and state match funds, and other sources of CWSRF funds to provide funding to eligible projects.

In addition to the CWSRF PF described above, \$248 million of American Rescue Plan Act (ARPA) funds were allocated to the Department in SFY 2023 for water infrastructure and will be used to provide PF loans to applicants sponsoring capital improvement projects listed on Combined Sewer Overflow (CSO) Long Term Control Plans (LTCP). The Department expects to award approximately \$213 million of the ARPA funds in SFY 2024 and carry over approximately \$2 million for award in SFY 2025. In the event that a sufficient number of CSO LTCP projects are not able to proceed to contract award and project certification by December 31, 2024, the Department may use the remaining ARPA funds to finance portions of other PF loan funding packages described in the CWSRF Intended Use Plan in order to utilize the entire amount of the Clean Water ARPA allocation. New Jersey's SFY 2025 budget also allocated an additional \$10 million of ARPA funds to the Department for principal forgiveness for Stormwater Management Resilience projects.

SFY 2025 Clean Water PF funds will be reserved as follows:

- \$2M for CSO Long Term Control Plan Projects (ARPA)
- \$10M for Stormwater Resilience Projects (ARPA)
- \$10M for Water Quality Restoration Projects
- \$40M for CSO Abatement Projects
- \$48M for Eligible CW Projects sponsored by borrowers meeting the Clean Water Affordability Criteria (Affordability)
- \$40M for CSO Abatement Projects sponsored by borrowers meeting the Clean Water Affordability Criteria (CSO Abatement/Affordability)
- \$20M for Water and Energy Efficiency Projects

- \$18M for projects that address Emerging Contaminants
- \$2M to projects awarded Overflow and Stormwater Grants (OSG)

### **Drinking Water State Revolving Fund (DWSRF) Program**

The main objective of drinking water funding is to protect the public health in conformance with the objectives of the Safe Drinking Water Act. Eligible projects include those that address treatment of source water, conveyance of clean water, lead abatement, violations of the maximum contaminant levels, unregulated contaminants, and issues related to acute health effects (e.g. Surface Water Treatment Rule requirements).

The Department expects to use the maximum amount available for PF utilizing DWSRF monies subject to federal restrictions. The Department plans to utilize any unallocated PF carried over at the end of SFY 2024 as PF in SFY 2025 for categories set forth in the DWSRF IUP. The Department will supplement the carried over PF funds with approximately \$4 million projected to be available under the FFY 2024 DWSRF Base grant (DW Base FFY24). In addition, the Department expects to receive authority to award approximately \$79 million in additional PF made available by the BIL. The BIL is expected to provide PF of approximately \$23 million for eligible drinking water projects under the FFY 2024 DWSRF General Supplemental grant (DW BIL GEN), approximately \$15 million for projects that address emerging contaminants under the FFY 2024 DWSRF Emerging Contaminants grant (DW BIL EC), and approximately \$41 million for projects that address lead in drinking water under the FFY 2024 DWSRF Lead Service Line Replacement grant (DW BIL LSLR). Funds and PF authority available from the grant awards will be blended with carryover PF authority from prior grants (DW Base Prior), DWSRF repayments and state match funds, other sources of DWSRF funds to provide funding to eligible projects.

In addition to the DWSRF PF described above, \$45 million of American Rescue Plan Act (ARPA) funds were allocated to the Department in SFY 2023 for water infrastructure and used to provide PF loans to eligible drinking water applicants in communities that meet the affordability criteria. Eligible applicants sponsoring capital improvement projects that address climate change or provide for public health protection from multiple contaminants. The Department expects to award approximately \$40 million of the ARPA funds in SFY 2024 and carry over approximately \$5 million for award in SFY 2025. In the event that a sufficient number of projects are not able to proceed to contract award and project certification by December 31, 2024, to utilize the entire amount of Drinking Water ARPA allocation, the Department may use the remaining ARPA funds to finance portions of other PF loan funding packages described in the DWSRF Intended Use Plan.

SFY 2025 Drinking Water PF funds will be reserved as follows:

- \$7M Nano (<10,000 pop.) (Base Grant)
- \$6M Very Small Water Systems (< 1,000 pop.) (Base Grant)
- \$20M High Ranking Projects in Disadvantaged Communities (BIL GEN)
- \$34M for Emerging Contaminants (BIL EC)
- \$5M for Climate Change/ Resilience or Projects to Comply with Multiple MCLs (ARPA)
- \$92M for Lead Projects (BIL LSLR/BIL GEN)

A hearing on the Proposed FFY 2024 CWSRF and DWSRF IUPs will be conducted via Microsoft Teams on Wednesday January 10, 2024. The hearing will commence at 10:00 a.m. and conclude at 11:00 a.m. or the end of testimony (whichever is sooner). If you would like to attend, please contact [waterbankinfo@dep.nj.gov](mailto:waterbankinfo@dep.nj.gov) with "January 2024 IUP Hearing" the subject line. Please include your name, phone number, and affiliation in the body of the email. You will then be contacted by a Department staff person who will provide you a link, and a call-in number for the meeting.

Presentations may be made orally or in writing; if written testimony is prepared, the oral presentation should be limited to a summary of the text. The period for submitting written comments on the proposal will close on January 31, 2024 (all comments must be received by that date). All comments submitted prior to the close of the comment period will be considered in the preparation of the final CWSRF IUP and DWSRF IUP.

Written comments on the **Proposed FFY 2024 CWSRF and DWSRF IUPs** should be sent to the following address:

Mail Code 401-03D  
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  
or  
[waterbankinfo@dep.nj.gov](mailto:waterbankinfo@dep.nj.gov)

The Proposed Intended Use Plan documents are posted on the Department's web site at <https://dep.nj.gov/wiip/intended-use-plan-and-project-priority-lists/>.

If you have any questions regarding the CWSRF IUP proposal, please contact Paul Hauch, Bureau Chief, Bureau of Construction Payments and Administration, Municipal Finance and Construction Element, Division of Water Quality at 609-292-8961 or [Paul.Hauch@dep.nj.gov](mailto:Paul.Hauch@dep.nj.gov).

If you have any questions regarding the DWSRF IUP, please contact Kristin Tedesco, Bureau Chief, Bureau of Water System Engineering, Water System Operations Element, Division of Water Supply and Geoscience at 609-292-2957 or [Kristin.Tedesco@dep.nj.gov](mailto:Kristin.Tedesco@dep.nj.gov).

Sincerely,



Patricia Ingelido, Director  
Division of Water Supply & Geoscience



Charles Jenkins, Assistant Director  
Division of Water Quality