

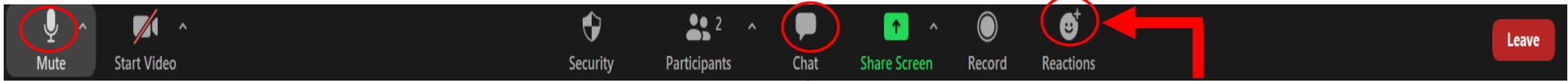
BIL Implementation for Emerging Contaminants Funding in WI

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Online Commands



Type your questions into the
"Chat" feature

"Raise Hand" and your
microphone will be
unmuted by moderator
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Phone Commands

For those joining by phone, the following commands can be entered using your phone's dial pad:

- *6 - Toggle mute/unmute
- *9 - Raise hand



Presentation Outline

- Recap - Existing State Revolving Loan Programs
- BIL Infrastructure Funding to Wisconsin
- BIL Emerging Contaminants Funding and Program Development
 - Discussion and Feedback

Existing State Revolving Fund - Loans

- Clean Water & Drinking Water SRFs, Private LSL Replacement Program, and CWF Pilot Program.
- Subsidized interest rates – updated quarterly.
 - 2.145% for most municipalities
 - 1.287% for disadvantaged municipalities
- 20 – 30 year loan terms (based on design life of the project).
- Portions of loans may be awarded as Principal Forgiveness for eligible applicants. Like grant funding – no repayment.
- Repayments revolve and become available for new loans.
- Funds are disbursed to municipalities as a reimbursement for incurred costs.

Emerging Contaminants – BIL Funding

Program	Annual Funding	Mandatory
Clean Water Emerging Contaminants	\$2.527 million	100% forgiveness
Drinking Water Emerging Contaminants	\$12.8 million	100% forgiveness

- Intended to address municipal drinking water and wastewater treatment for PFAS, other contaminants are eligible at the federal level.
- DW SRF – 25% of funding must go to disadvantaged communities or public water systems serving less than 25,000 persons.
- CW SRF – no federal restriction on how funding is awarded. DNR will work on program development in 2023.

Small, Underserved, and Disadvantaged Communities (SUDC) Grant Program

- Part of WIIN Act Grant Funding
- Estimated \$18 Million/year for 5 years
- Separate from SRF
- Planning to merge into years 2 – 5 of BIL DW EC funding
- Awaiting guidance and final allocations from EPA
 - Expected in December 2022

Proposed Project Eligibilities – Emerging Contaminants

- Construction of a new treatment facility or upgrade to an existing treatment facility.
 - Costs associated with temporary/portable PFAS treatment systems that are included with a funding request for a long-term solution. Rental or lease costs are eligible.
- Development of a new source (i.e., new/replacement well or intake for a public water system).
- Consolidation with another water system that does not have emerging contaminants present or has removal capability.
- Creation of a new community water system or extension of a distribution system to address unsafe drinking water provided by individual (i.e., privately-owned) wells or surface water sources.

Proposed Project Eligibilities (Cont.) – Emerging Contaminants

- Costs for planning, design and associated pre-project costs.
 - Eligible costs can include an alternatives analysis and non-routine sampling associated with project planning.
 - Costs are eligible as part of a funding request for a project that provides a long-term solution, not as stand-alone costs.
- Infrastructure related to pilot testing for treatment alternatives.
 - Costs are eligible as part of a funding request for a project that provides a long-term solution, not as stand-alone costs.
- Bottled water is NOT eligible, per federal regulations.

Split Projects

- For projects that address other contaminants, only the PFAS-specific portion of the project will be eligible for BIL EC Principal Forgiveness
 - Portions of a project whose primary purpose is something other than treating for PFAS will not be PF eligible.
- Similar to Phosphorus Priority PF → PFAS Parallel Cost Percentage
- DNR will request a breakout of major components, and associated costs, with the application
- DNR will review on a case-by-case basis

Funding Approach – Emerging Contaminants

- Demand likely to exceed available funding
 - \$12.8 Million of EC PF for SFY23 EC projects
 - Up to \$5M, or 70% of project costs, may be awarded as PF per municipality
 - Balance of total project costs would be available as a subsidized loan
- Emerging Contaminants Principal Forgiveness (EC PF) Allocation
 - Two-pass process in priority score order
 - Pass 1 – 70% of total project costs as EC PF up to \$500,000
 - Pass 2 – EC PF allocated for 70% of remaining eligible project costs, up to total EC PF cap of \$5M

Project Scoring Considerations – Emerging Contaminants

- DNR has developed a project scoring system that will consider the following criteria:
 - Risk to Human Health
 - Max 250
 - Financial Need
 - Max 180
 - System Capacity Affected
 - Max 40



Next Steps - Emerging Contaminants

- Year 1 (SFY23)
 - IUP amendment published
 - Standalone ITA/PERF
 - Applications due end of January 31, 2023
 - Expect to make awards late spring/early summer
 - Based on municipality's readiness
- Year 2 (SFY24)
 - Will be described in SDWLP SFY24 IUP (published in spring 2023)
 - ITA/PERF deadline was 10/31/22
 - Will be flexible for interested applicants that missed deadline
 - Applications due June 30, 2023
 - Expect to make awards as early as October 2023

***Hold Harmless Clause**
Municipalities that are allocated EC PF in SFY 2023, that have also applied for SFY 2024, will have the opportunity to use their SFY 2024 EC PF allocation instead of their SFY 2023 EC PF allocation. More PF will be available for year 2

Federal Requirements

- American Iron & Steel / **Build America, Buy America (BABA)**
- Davis-Bacon Wages
- Disadvantaged Business Enterprises
- Environmental Reviews
- Other federal cross cutting requirements based on project specifics



Build America, Buy America (BABA)

- Requires recipients of federal funding to utilize domestically sourced iron, steel, manufactured products, and construction materials
- Went into effect May 14, 2022

Waivers

- Adjustment Period Waiver
- Small Projects General Applicability
- De Minimis General Applicability
- Product specific waivers may be considered



Questions?



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