



WATER INFRASTRUCTURE FUNDING

October 29, 2019



Environmental
Facilities Corporation

Department
of Health

EFC Overview

- Public benefit corporation which provides financial and technical assistance primarily to municipalities by providing low-cost financing for their water quality infrastructure projects.
- EFC administers a number of programs, including managing the most successful State Revolving Funds in the nation.



National Leader in Water Infrastructure Investment

- NYS leads the nation with the largest annual investment in water-quality infrastructure
- EFC's programs have provided more than \$37 billion in low cost financing and grants to local governments for approximately 3,300 projects





STATE REVOLVING FUND (SRF) PROGRAMS

Clean Water State Revolving Fund Overview

- Provides low-cost financing for wastewater and water quality infrastructure
- Administered by EFC and DEC
- A variety of water quality improvement projects are eligible for financing including:
 - ✓ Point Source Projects
 - ✓ Nonpoint Source Projects
 - ✓ National Estuary Projects



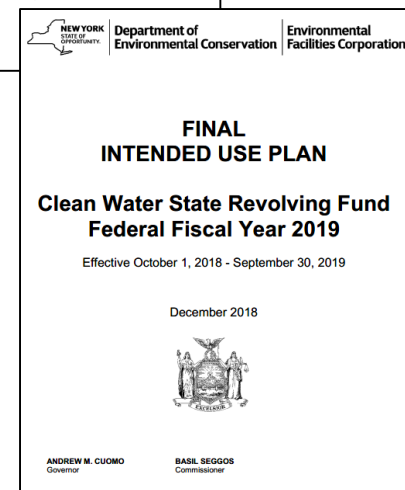
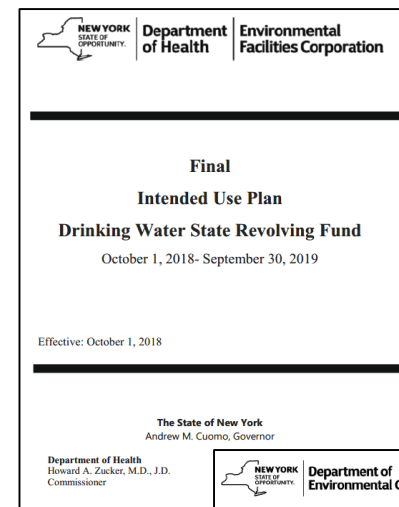
Drinking Water State Revolving Fund Overview

- Provides low-cost financing and grants for public drinking water infrastructure
- Administered by EFC and DOH
- A variety of public water system projects are eligible for financing including:
 - ✓ Treatment Plants
 - ✓ Distribution Mains
 - ✓ Storage Facilities



Intended Use Plan (IUP)

- The Annual Intended Use Plan for each SRF program lists available funds and identifies the use of those funds for the Federal Fiscal Year (FFY) - effective Oct. 1 through Sep. 30
- Using information provided by the applicant, EFC and DOH:
 - ✓ Assign project priority score
 - ✓ Rank project based on water quality and public health impacts
 - ✓ Determine eligible project costs
- Projects are categorized by population size and are placed either on the Annual list in the IUP or on the Multi-Year List



First Step to Funding – Project Listing

A municipality must submit a project description and funding needs for the project via project listing:

DWSRF

- PDF listing form is available on www.efc.ny.gov
- An engineering report must be submitted for the project to be placed on the Annual List

CWSRF

- List and update your project using PLUS:
<https://plus.efc.ny.gov/plus>
- An engineering report and smart growth form must be submitted for the project to be placed on the Annual List

Next Step – Apply for Financing

The municipality must:

1. Submit a CWSRF/DWSRF Financing Application Form
2. Complete a State Environmental Quality Review (SEQR)
 - ✓ SEQR requires that all agencies determine whether the “actions” they directly undertake, fund or approve may have a significant impact on the environment. The purpose of SEQR is to incorporate the consideration of environmental factors into the planning, review and decision-making processes of state, regional, and local government agencies.
3. Obtain signoff of project by NYS Office of Parks, Recreation and Historic Preservation (SHPO)
4. Form a Water/Sewer District (if necessary)
5. Adopt a Bond Resolution

Common Items Needed to Complete An Application

- An engineering agreement or construction contract
- Permits/Approvals
- Contracts/agreements and related amendments
- Existing debt information for credit review
- Third party funding sources
- Inter-municipal agreements



SRF Program Requirements

American Iron & Steel

- Treatment works projects only

Davis-Bacon [Federal Prevailing Wage]

- Applies to entire project, even if project is only partially funded by SRF

MWBE Goals (20-30%)

- Goals depend on type of financing, but apply to:
 - ✓ Non-construction contracts/service agreements exceeding \$25,000
 - ✓ Construction contracts exceeding \$100,000

Visit www.efc.ny.gov/MWBE for more information



FINANCE OVERVIEW

Loan Programs

- Short-term

- ✓ Typically for a period of 3 to 5 years
- ✓ To finance the estimated costs of the planning, design and construction of a water or wastewater project
- ✓ The municipality provides EFC with a bond anticipation note and draws funds as it incurs costs for the project
- ✓ Designed to help identify all project costs prior to long-term financing in order to properly size the long-term borrowing

- Long-term

- ✓ Maturity generally up to 30 years

Loan Programs - Interest Rates

- 0%
- Subsidized
- Market-rate
- In general, the rate for the financing will depend on where the project is listed on the IUP (score) as well as the income of the community



Hardship Program

- Assistance for financially disadvantaged communities
- Must meet “Hardship” eligibility criteria
 - Be environmentally significant or public health priority
 - Economic need – based on median household income (MHI)
- Interest-free Loans and in some cases grants

SRF Hardship & Grant Eligibility

- To be eligible, a municipality must have:
 - A population less than 300,000 and
 - A 2017 (MHI) that is:
 - Less than 80% of the regionally adjusted Statewide MHI or
 - 80% to less than 100% of the regionally adjusted Statewide MHI with a family poverty greater than the Statewide Poverty of 11.3%
- A project must have a core score that would place the project above the Hardship eligibility line on the Annual List to be eligible
- Privately-owned drinking water infrastructure projects must be regulated by the Public Service Commission (PSC) to be eligible

*Note: Population, MHI and Poverty as measured by the 2017
American Community Survey 5-year data*

SRF Hardship & Grant Limitations

CWSRF	DWSRF
▪ No maximum project cost threshold ▪ Grant limited based on grant eligibility criteria in the Hardship Policy to \$2, \$3.5, or \$5 million or 25% of the net eligible project cost. ▪ Municipalities may receive a maximum of: • \$20 million hardship financing over a rolling 5-year period (FFY 2016 – 2020) • \$5 million in grant each year	▪ No maximum project cost threshold ▪ Grant limited to the lesser of \$3 million or 60% of net eligible project costs ▪ Municipalities may receive a maximum of: • \$14 million in hardship financing over a rolling 5-year period (FFY 2016 – 2020) • \$3 million in EFC grant over a rolling 5-year period (FFY 2016 – 2020)



GRANT PROGRAMS

Clean Water Infrastructure Act of 2017 (CWIA)

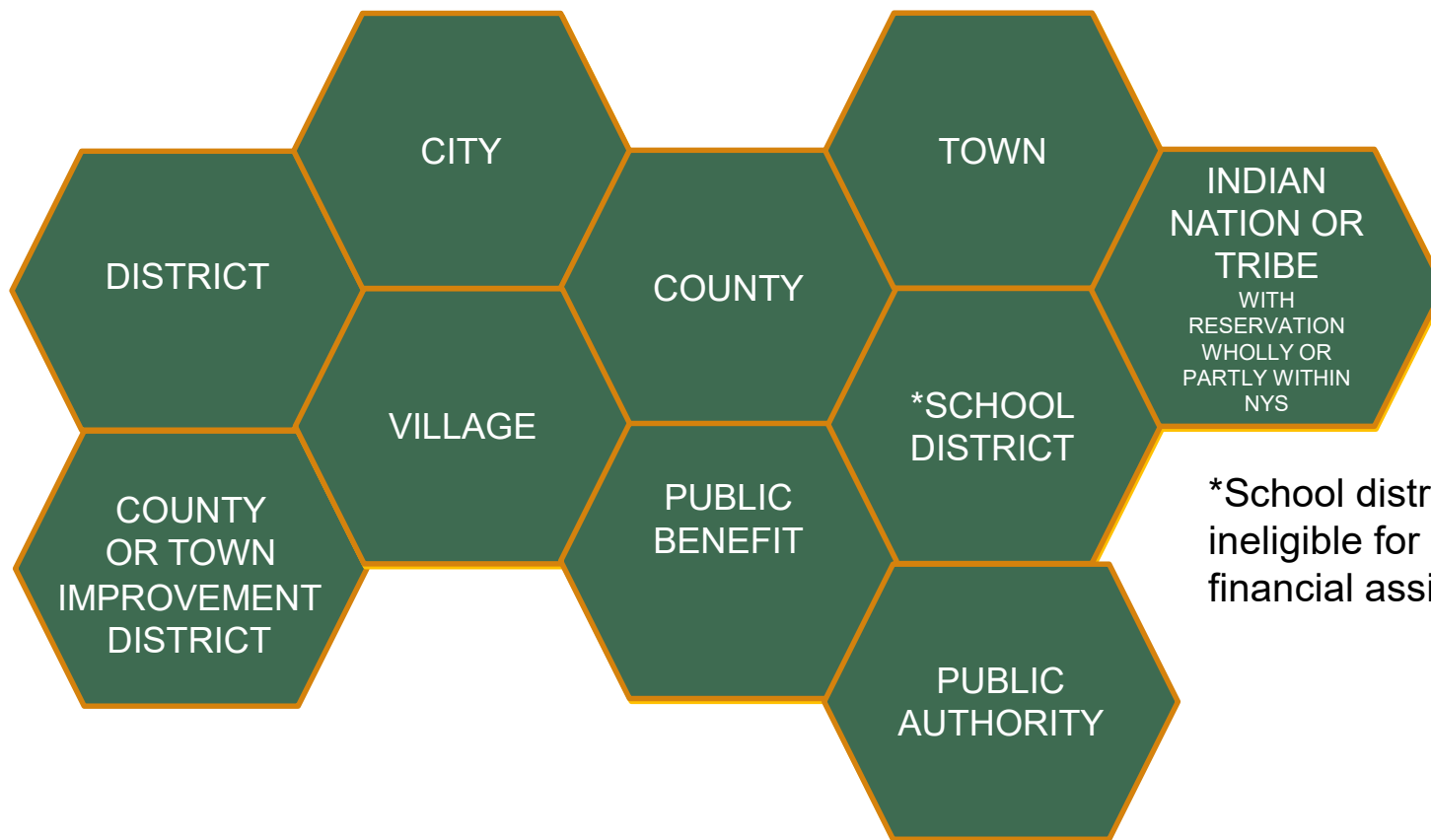
Water Infrastructure
Improvement Act
at least
\$1 Billion

Intermunicipal Water
Infrastructure Grants
Program at least
\$150 Million

\$350 Million Available in 2019

Water Infrastructure Improvement Act (WIIA) grants and Intermunicipal Water Infrastructure Grants Program (IMG) grants are administered by EFC and DOH. In 2018, \$200 million was made available to support projects addressing emerging contaminants (PFOA, PFOS or 1,4-Dioxane).

Eligible Municipal Entities



*School districts are ineligible for CWSRF financial assistance

WIIA Project Eligibility Criteria

- Water quality infrastructure projects at municipally-owned sewage treatment works and public water systems for:
 - ✓ Construction, replacement or repair of drinking water or wastewater infrastructure
 - ✓ Compliance with federal or state environmental and public health laws/regulations
- Applicants must meet the following criteria:
 - ✓ Result in construction of the project
 - ✓ Construction cannot have started before October 1, 2018
 - ✓ Construction cannot have been completed before May 1, 2019

WIIA/IMG Project Evaluation Criteria

- EFC and DOH will consider factors such as:
 - ✓ Water quality improvement or reduction in risk to public health
 - ✓ Financial needs of the community
 - ✓ Readiness to advance to construction
 - ✓ Level of demonstrated community support

WIIA Clean Water Grant

CLEAN WATER

- The lesser of **25%** of total net eligible project costs, including phases of the project, or

Project Cost	Maximum Grant Award
Less than \$50 Million	\$5 Million
Equal to or greater than \$50 Million but less than \$100 Million	\$12.5 Million
Equal to or greater than \$100 Million	\$25 Million

WIIA Clean Water Grant

CLEAN WATER

- No municipality may receive more than **\$5 million** in CWSRF grant and/or WIIA grant per year
- If awarded grant(s) exceeds \$5 million, grant(s) will be allocated over multiple years in increments not to exceed \$5 million per year

WIIA Drinking Water Grant

DRINKING WATER

- The lesser of **60%** of total net eligible project costs, including phases of the project, or **\$3 million**
- No municipality may receive more than **\$3 million** in DWSRF grant and/or WIIA grant per year

Intermunicipal Water Infrastructure Grants Program (IMG)

- Grant amount limited to the lesser of \$10 million or 40% of total net project costs
- IMG grant awardees seeking CWSRF or DWSRF financing are eligible only for market-rate financing
- One municipality is required to be the “lead municipality” and apply on behalf of all cooperating municipalities
- To date: \$70M awarded to 12 projects

IMG Project Eligibility Criteria

- Municipally-owned sewage treatment works projects OR municipally-owned public water system projects that construct, replace, or repair infrastructure, or for compliance with environmental and public health laws and regulations related to water quality.
- Must have a current, valid, and binding project **Intermunicipal Agreement (IMA)** between at least two cooperating municipalities related to the financing of the project

IMG Project Eligibility Criteria (continued)

- Applicants must meet the following criteria:
 - ✓ Result in construction of the project
 - ✓ Have not closed on an SRF financing
 - ✓ Have not started construction before October 1, 2018
 - ✓ Not have completed construction before May 1, 2019
 - ✓ May not be for the construction of water infrastructure that exclusively supports new development, whether residential or commercial

WIIA & IMG Program Requirements

- **All** awarded projects must comply with the following state requirements:
 - ✓ Environmental Review (SEQR/SHPO)
 - ✓ Smart Growth
 - ✓ MWBE/EEO
- Awarded projects **with SRF financing** must also comply with the following federal requirements:
 - ✓ American Iron and Steel
 - ✓ Davis-Bacon Federal Prevailing Wage
- Awarded projects **without SRF financing** must also comply with the following state requirements:
 - ✓ Service-Disabled Veteran-Owned Business (SDVOB)



WIIA / IMG – Application Requirements

Requirements for Complete WIIA/IMG Application:

- Submit Engineering Report to DOH
- Complete State Environmental Quality Review (SEQR)
- State Historic Preservation Office (SHPO) acknowledgement letter
- Smart Growth Act Compliance
- Bond or Board Resolution Adopted
- Completion of district formation (if applicable)
- Intermunicipal Agreement (for IMG projects)



WIIA / IMG APPLICATION DUE DATE:

September 13, 2019

Submit by 5:00pm

**Submit to
NYSWaterGrants@efc.ny.gov**

**Use the Large File Upload Submission
Form available at ww.efc.ny.gov for
files larger than 30MB**

**www.efc.ny.gov/WIIA
www.efc.ny.gov/IMG**

Contact Us:

Mr. Dwight Brown

**Division of Engineering &
Program Management**

Phone: (518) 402-6924

NYSWaterGrants@efc.ny.gov

Emerging Contaminants Project Planning Grants (EC PPG)

- Up to \$1,000,000 in grants for planning and development of an engineering report for projects that address **Emerging Contaminants** (PFOA/PFOS/1,4-dioxane)
- Planning grants up to \$50,000 each
- Engineering report funded through this program can be used to seek financial assistance for construction of the project from the DWSRF, WIIA, IMG or other funding programs.
- EC PPG awards for 14 Public Water Systems announced in July 2019

Integrated Solutions Construction (ISC) Grant Program

- Provides grant dollars for the incorporation of green infrastructure practices into CWSRF-financed CSO / SSO / stormwater projects
- Grant covers 50% of green construction cost
- Green infrastructure practices must treat a minimum of 25% of the water quality volume from a combined, sanitary, or storm sewer system area
- CWSRF program requirements will apply and grant must be partnered with CWSRF financing



ISC Grant Application

To be considered for the next round of ISC grant funding, applicants must:

- Be listed on the Annual List of the IUP
- Submit an acceptable CWSRF financing application indicating an interest in the ISC grant
- Submit an engineering report or amendment that describes the green infrastructure features
- Additional information on EFC's website:
[*http://efc.ny.gov/ISC*](http://efc.ny.gov/ISC)

Green Innovation Grant Program (GIGP)

- \$15 million available in 2019
- GIGP grants are awarded on a competitive basis to projects that improve water quality and demonstrate green stormwater infrastructure in New York
- In the latest round:
 - ✓ Grant amount was limited to a minimum of 40% to a maximum 90% of the total eligible project costs
 - ✓ A minimum of 10% up to a maximum 60% match from state or local sources was required

To Date

**\$170
Million
awarded to
220 GIGP
projects**

Engineering Planning Grant Award

- DEC and EFC offer grants to help municipalities pay for the initial planning of eligible CWSRF projects
- \$30,000 Grant for municipalities with a population of 50,000 or less
- \$50,000 Grant for municipalities with a population greater than 50,000
- MHI of the municipality must be:
 - ✓ Equal to or less than \$70,000 according to the United States Census, 2017, American Community Survey for municipalities located in REDC regions of Capital District, Southern Tier, North County, Mohawk Valley, Central NY, Finger Lakes, or Western NY.
 - ✓ Equal to or less than \$90,000 according to the United States Census, 2017, American Community Survey for municipalities located in REDC regions of Long Island, New York City, and Mid-Hudson. EPG grant amount limited to \$100,000 per award
- A 20% match from local sources required

**\$3 Million
in 2019**

**To Date
\$14.9
Million
awarded to
384 projects**

GIGP & EPG Grant Application & Awards

- GIGP & EPG grants are awarded as part of the New York State Consolidated Funding Application (CFA) process
- Grants are announced by the Governor as part of the Regional Economic Development Competition Awards Ceremony
- Apply for EPG Grants through the CFA



<http://regionalcouncils.ny.gov/>

Contact Information

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