

Water and Wastewater Infrastructure Funding Opportunities from the Federal Infrastructure Bill

**Ohio Grants Summit
November 30, 2022**

Jerry Rouch, Deputy Director for Infrastructure Funding



Water and Wastewater Infrastructure Funding Opportunities

The Infrastructure Funding Framework

State Funding Opportunities

- **Ohio EPA - Drinking Water SRF**
- **Ohio EPA – Clean Water SRF**
- Ohio Public Works Commission
- H2Ohio Initiative
- Ohio Water Development Authority
- Community Development Block Grants

Federal Funding Opportunities

- American Rescue Plan Act
- **Infrastructure Investment & Jobs Act**
- USDA – Rural Development
- Appalachian Regional Commission
- U.S. Army Corps of Engineers
- U.S. Environmental Protection Agency

Water and Wastewater Infrastructure Funding Opportunities

Background: State Revolving Fund (SRF) Programs

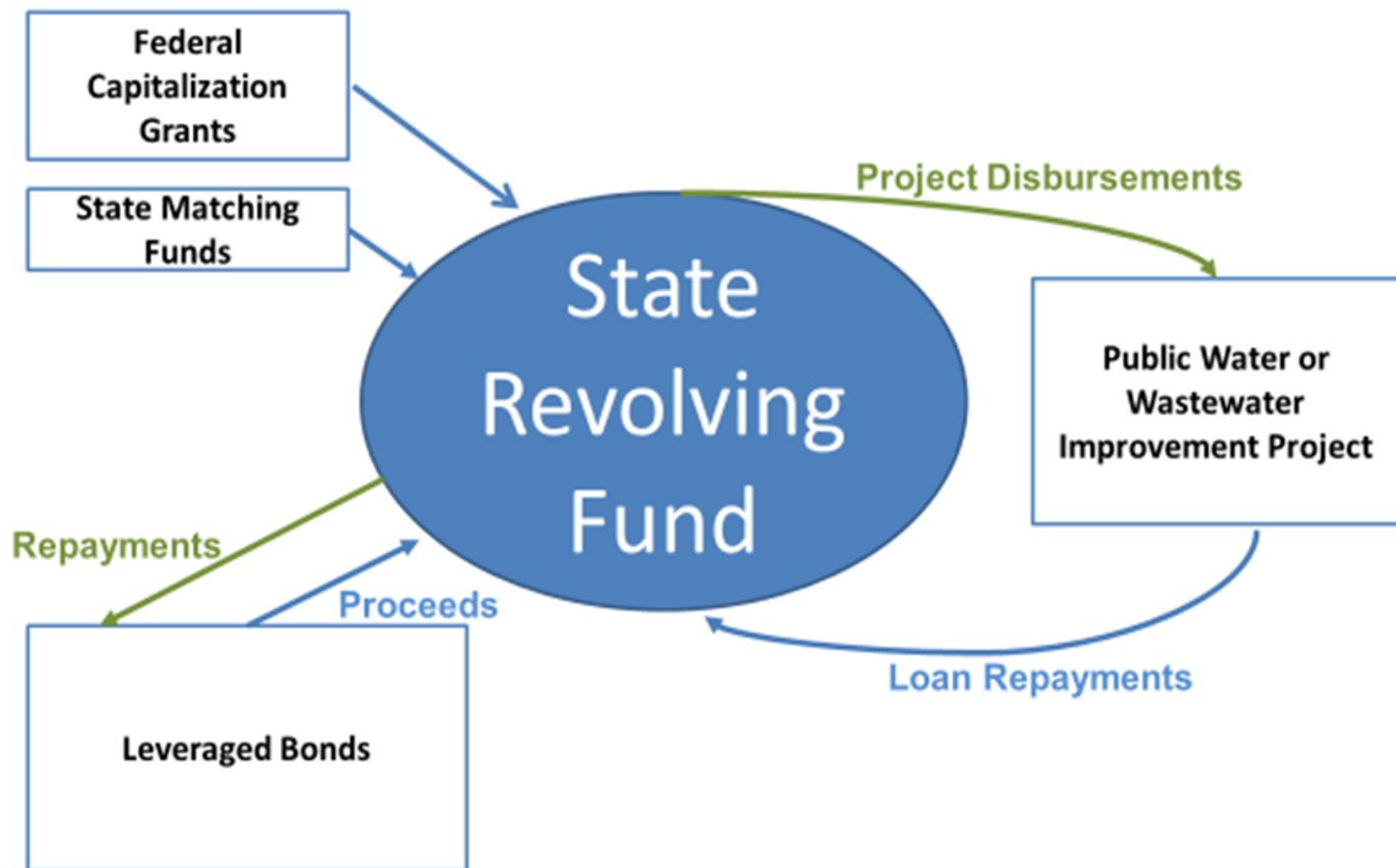
- Water Pollution Control Loan Fund (WPCLF)
- Water Supply Revolving Loan Account (WSRLA)
- Single largest source of public funding for infrastructure
- Below-market interest rates & rate discounts
- Principal forgiveness loans
- Broad eligibility for water and wastewater needs
- Co-funding with other sources is common/encouraged
- Established/Financially-strong/Annual Program

Water and Wastewater Infrastructure Funding Opportunities

State Revolving Fund (SRF) Programs

	Water Pollution Control Loan Fund	Water Supply Revolving Loan Account
Started	1989	1998
Low-interest Loans	✓	✓
Special Discounts	✓	✓
Principal Forgiveness	✓	✓
Annual Capacity	\$700 million/year	\$170 million/year

How State Revolving Funds Operate



Water and Wastewater Infrastructure Funding Opportunities

Eligible Wastewater Project Examples

- New regional WWTPs
- WWTP renovations
- Sanitary sewer extensions to unserved areas on septic tanks
- Sanitary sewer rehabilitations
- Large diameter deep tunnels
- Combined sewer separation
- Storm sewer construction with a water quality benefit
- Pump station upgrades
- Sludge digestion & storage
- WWTP odor control project
- Back-up generator installation
- Home sewage treatment system repairs and replacements
- Stream and wetland restoration
- Planning, design, and construction

Water and Wastewater Infrastructure Funding Opportunities

Eligible Drinking Water Project Examples

- Water storage tank replacements
- WTP improvements for HAB, disinfection byproducts, etc...
- WTP rehabilitation projects
- New waterlines to unserved areas
- Water main replacements
- New WTPs and wells
- Interconnections with another PWS
- Water Masterplan Update
- WTP generator improvements
- Water meter replacements
- Lead service line replacements
- Consolidation projects
- Pump station replacements
- Planning, design, and construction

Water and Wastewater Infrastructure Funding Opportunities

Special Discounts and Funding Features

WPCLF

- Regionalization discount
- Nutrient Reduction discount
- Water Resource Restoration Sponsorship
- 0% Planning and Design Loans
- Extended terms (up to 45 years)
- Structured Repayments available
- Principal Forgiveness priorities = Home Sewage, Regionalization, Municipal Wastewater, Back-up Power

WSRLA

- HAB/PFAS discounts
- Regionalization discount
- LSL discount
- 0% Planning and Design Loans
- Extended terms (up to 40 years)
- Principal Forgiveness priorities = Regionalization, Priority public health-based projects

Water and Wastewater Infrastructure Funding Opportunities

WPCLF and WSRLA Funding in 2022 (January – October 2022)

	WPCLF	WSRLA
# Loans	169	86
\$ Amount	\$697 million	\$369 million
Savings to Communities	\$98 million	\$51 million

Water and Wastewater Infrastructure Funding Opportunities

Passage of the Infrastructure Investment and Jobs Act (IIJA)

Overall, \$60 billion administered through U.S. EPA

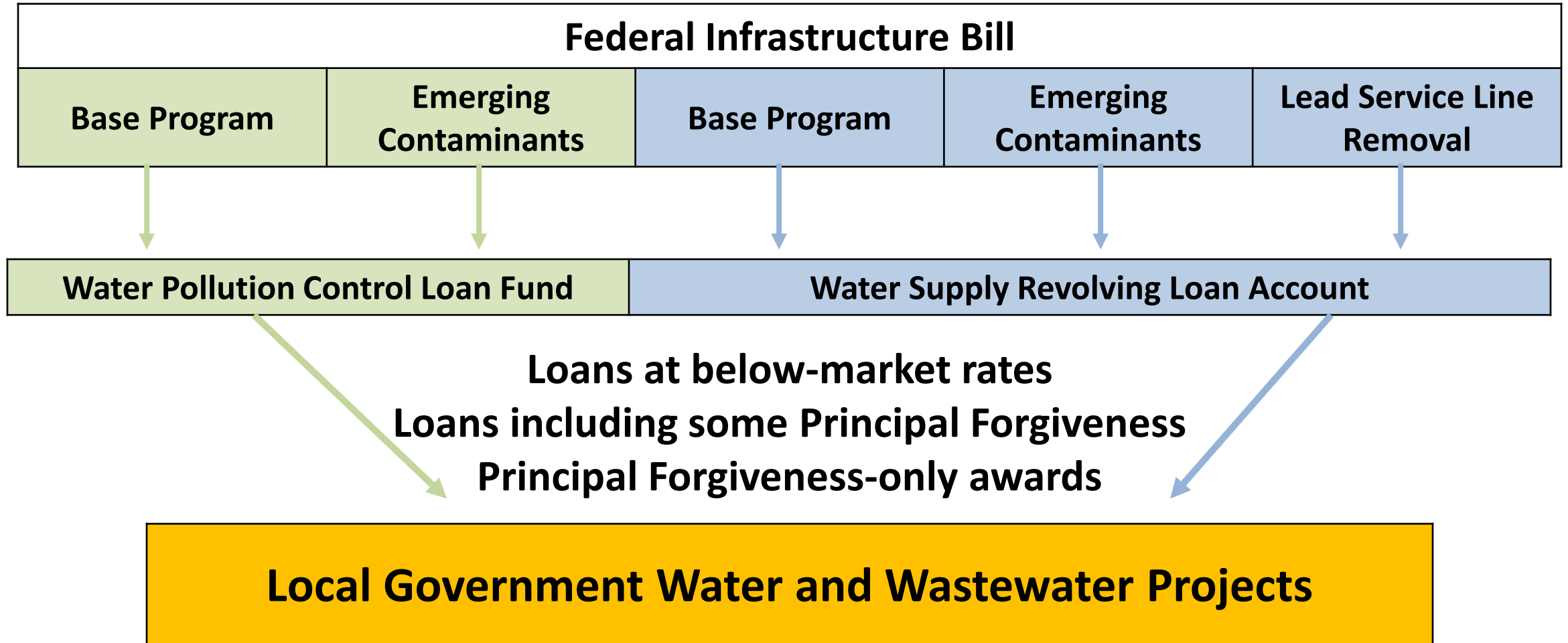
- **\$44 billion nationally through the State Revolving Fund Programs**
- \$5 billion for Small and Disadvantaged Communities – Emerging Contaminants
- \$5 billion for Clean School Buses
- \$3.5 billion for Superfund Remedial Cleanups
- \$1.5 billion Brownfield Redevelopment
- \$1 billion for Great Lakes Restoration
- \$100 million Pollution Prevention Grants
- \$50 million Underground Injection Control Grants
- \$25 million for Battery Recycling

Water and Wastewater Infrastructure Funding Opportunities

Basic Parameters of the Federal Infrastructure Bill Funding

- Funding to SRF programs is spread over a five-year period 2022 – 2026
- More loan funds available to the State
- More principal forgiveness available to the State
- Almost all principal forgiveness must be directed to Disadvantaged Community applicants.
- New funding opportunities for Lead Service Lines and Emerging Contaminants
- All SRF requirements apply

Water and Wastewater Infrastructure Funding Opportunities



Rough Estimates of Ohio's Portion of IJA Funds for the SRF Programs

Year	Ohio's CWSRF Portion for Base Program	New! Ohio's CWSRF Portion for Emerging Contaminants	Ohio's DWSRF Portion for Base Program	New! Ohio's DWSRF Portion for Emerging Contaminants	New! Ohio's DWSRF Portion for Lead	Estimated Total
2022	\$102 M	\$5 M	\$45 M	\$18 M	\$71 M	\$241 M
2023	\$118 M	\$11 M	\$52 M	\$18 M	\$71 M	\$270 M
2024	\$128 M	\$11 M	\$57 M	\$18 M	\$71 M	\$285 M
2025	\$138 M	\$11 M	\$62 M	\$18 M	\$71 M	\$300 M
2026	\$138 M	\$11 M	\$62 M	\$18 M	\$71 M	\$300 M
Total*	\$624 M	\$49 M	\$278 M	\$90 M	\$355 M	\$1.396 B

Proportion of Total that can be awarded as PF	\$303 M	\$49 M	\$134 M	\$90 M	\$175 M	\$751 M
---	---------	--------	---------	--------	---------	---------

Water and Wastewater Infrastructure Funding Opportunities

How much grant money will be available?

Type of Project	Annual Grant Funding (2022 – 2026)
General Wastewater Projects	\$50 - \$60 million
General Drinking Water Projects	\$25 - \$30 million
Drinking Water Emerging Contaminants	\$18 million
Lead Service Line Replacements	\$35 million

Water and Wastewater Infrastructure Funding Opportunities

“Disadvantaged” = Potential Access to Principal Forgiveness

- IJA directs that almost all principal forgiveness must be directed to “Disadvantaged Communities”
- The WPCLF and WSRLA examined the existing definitions for “Disadvantaged Community” (WSRLA) and “Affordability Criteria” (WPCLF)
- Metrics that are used are generally familiar and transparent socio-economic characteristics
- Applicants don’t have to gather data... Ohio EPA does the analysis and makes the determinations

Water and Wastewater Infrastructure Funding Opportunities

“Disadvantaged” = Potential Access to Principal Forgiveness

WPCLF	
Median Household Income (MHI)	≤ \$58,116
Unemployment Rate	≥ 5.3%
Poverty Rate < 200% of Poverty Level	≥ 30.4%
Percent Population Change	≤ 50% Increase

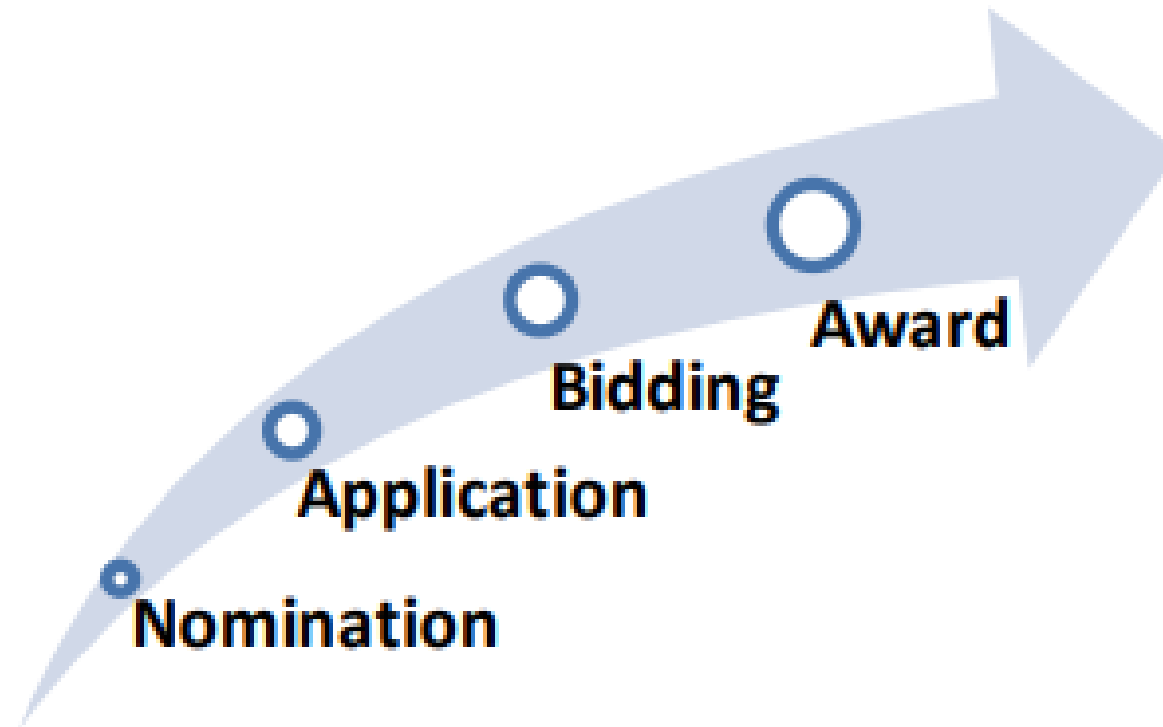
↓
3/4 Criteria

WSRLA	
Documented human health-related factors	Present
Water and sewer rates compared to MHI	≥ 2.5%
Median Household Income (MHI)	≤ \$58,116
Poverty Rate < 200% of Poverty Level	≥ 30.4%
Unemployment Rate	≥ 5.3%

↓
3/4 Criteria

Water and Wastewater Infrastructure Funding Opportunities

SRF Funding Process



Water and Wastewater Infrastructure Funding Opportunities

SRF General Timelines

	WPCLF	WSRLA
Cycle	Calendar Year	State Fiscal Year
Nomination Period*	August	February
Funding Year	January – December	July - June

* Open nomination period for planning and design projects, and certain special categories (lead service lines, emerging contaminants, etc.)



Drinking Water Assistance Fund (DWAF)

Program Year 2023 Program Management Plan



Effective July 1, 2022 – June 30, 2023
Division of Environmental and Financial Assistance

August 23, 2022 FINAL

How will I know if my project is fundable, and what assistance I can get?



Projects Eligible for Disadvantaged Community Principal Forgiveness in PY 2023

August 5, 2022 FINAL

Entity	Project	County	Estimated Loan Amount	Estimated Principal Forgiveness	Loan Type	Estimated Award Date	Project Score	Readiness to Proceed	Rate
Fairport Harbor	Water System Regionalization	Lake	\$4,420,000	\$2,210,000	Construction	Feb-23	13	3	DIS/REG
Hebron	U.S. 40/S.R. 37 Water Line Extension	Licking	\$3,460,000	\$1,730,000	Construction	Aug-22	11	4	DIS/REG
Piketon	Piketon Water Treatment Plant	Pike	\$7,989,433	\$3,994,717	Construction	Mar-23	11	3	DIS
Coshocton	Warsaw Waterline Replacement and Extension	Coshocton	\$960,300	\$480,150	Design	Jun-23	11	2	DIS/REG
Hamlar	Water Tower and Distribution System Improvements	Henry	\$1,768,078	\$884,039	Construction	Dec-22	9	3	DIS
Lisbon	Water Tank & North End Pressure Improvements	Columbiana	\$3,267,750	\$1,633,875	Construction	Jun-23	9	3	DIS
Portage County	Village of Mantua Water Distribution Replacement	Portage	\$300,000	\$150,000	Design	Sep-22	9	2	PLN/DES
East Palestine	Waterline Replacement Project ²	Columbiana	\$5,605,510	\$2,302,755	Construction	Apr-23	8	3	DIS/LSL
La Rue	Water Treatment Plant Improvements ¹	Marion	\$108,000	\$54,000	Design	Jul-22	8	2	PLN/DES
Bowerson	New Water Treatment Plant and Raw Water Improvements Project ¹	Harrison	\$386,650	\$193,325	Design	Jul-22	8	2	PLN/DES
Malvern	Phase 1 Waterline Replacement ²	Carroll	\$769,855	\$367,178	Construction	Sep-22	7	4	DIS/LSL
Rittman	Water Transmission Main Replacement	Wayne	\$4,346,966	\$2,173,483	Construction	Aug-22	7	4	DIS
Brown County Rural Water Association	Village of Ripley / Ripley Union Water System Improvements	Brown	\$5,446,050	\$2,723,025	Construction	Oct-22	7	3	DIS/REG
Nelsonville	Water System Improvements Phase 2	Athens	\$5,518,600	\$2,759,300	Construction	Apr-23	7	3	DIS
Malvern	Waterline Replacement Phase 2 ³	Carroll	\$3,886,000	BYPASS	Construction	Jun-23	7	2	DIS/LSL
Fayette County	Lakewood Hills Area Water System Project	Fayette	\$1,319,886	\$659,943	Construction	Jul-22	6	5	DIS/REG
Tri-County Rural Water & Sewer District	Phase 6 Waterline Extension	Washington	\$3,949,700	\$1,974,850	Construction	Aug-22	6	5	DIS/REG
Trumbull County	Braceville/Southington/Farmington Regionalization Project	Trumbull	\$1,657,315	\$828,658	Construction	Oct-22	6	4	DIS/REG
Muskingum County	Norfield and Arch Hill Waterline Extension	Muskingum	\$1,741,200	\$870,600	Construction	May-23	6	4	DIS/REG
Tuppers Plains/Chester Water District	Young, Featherstone, and Blackwood Rd. Water Line Extensions	Meigs	\$1,932,500	\$966,250	Construction	Dec-22	6	4	DIS/REG
Muskingum County	Philo, Virginia Ridge and Irish Ridge Rd Main Extension	Muskingum	\$3,211,550	\$1,605,775	Construction	Mar-23	6	4	DIS/REG
Heda Water Association	Macedonia Hill Water Main Extension & Booster Station	Lawrence	\$5,297,000		Construction	Oct-22	6	4	DIS/REG
Madison County	S.R. 56, US 40 and Summerford Waterline Extension Project	Madison	\$7,553,989		Construction	Jan-23	6	4	DIS/REG
Lowell	Lowell Water Treatment Plant Installation	Washington	\$2,011,791		Construction	Aug-22	6	4	DIS
Perry County	NPCW - Water System Improvements Phase 5	Perry	\$4,533,300		Construction	Mar-23	6	4	DIS
Burr Oak Regional Water District	Morgan County- Bishopville Expansion	Athens	\$665,800		Construction	Mar-23	6	3	DIS/REG
Jackson County Water Company, Inc.	Garrett Ridge Improvements	Jackson	\$5,965,300		Construction	Oct-22	6	2	DIS/REG
Ripley	Filtering Media Replacement	Brown	\$440,000		Construction	Oct-22	6	1	DIS
Southern Perry County Water District	Oakfield Area Water Line Improvements	Perry	\$459,360		Construction	Sep-22	5		DIS
Highland Ridge Water & Sewer Assoc.	St. Rt. 821 Waterline Relocation	Washington	\$663,400		Construction	Aug-22	5		DIS
Spencerville	Phase I Waterline Replacement	Allen	\$895,304		Construction	Jun-23	5		DIS
Old Straitsville Water Association	State Route 93, Arnold & Price Road Waterline Replacement	Perry	\$973,500		Construction	Jun-23	5		DIS
Sunday Creek Valley Water	St. Rt. 550 WL Repl & Tank Rehab	Athens	\$1,307,236		Construction	Aug-22	5		DIS
Nevada	Water Tower and Water Lines	Wyandot	\$1,592,135		Construction	Oct-22	5		DIS
Brilliant Water and Sewer District	2022-2023 Waterline Replacement	Jefferson	\$2,030,300		Construction	Mar-23	5		DIS
Pomeroy	Water System Improvements	Meigs	\$2,040,400		Construction	Mar-23	5		DIS
Logan	2022 Water System Improvements	Hocking	\$2,816,954		Construction	Jan-23	5		DIS/REG
Manchester	Water Line Improvements Phase 2	Adams	\$2,943,260		Construction	Mar-23	5		DIS
London	Water Wells Development	Madison	\$3,685,000		Construction	Feb-23	5		DIS
Kenton	Downtown Revitalization Phase 2 (WL and LSLR)	Hardin	\$6,519,108		Construction	Dec-22	5		DIS/LSL
Fayette	Water Distribution System Replacement	Fulton	\$7,740,000		Construction	May-23	5		DIS
Beaver	2022 Waterline Replacement	Pike	\$799,663		Construction	Apr-23	4		DIS
Midvale	WTP Filtration Improvement	Tuscarawas	\$2,537,765		Construction	Dec-22	4		DIS

Projects are ranked by Project Score, RTP and Est Loan Amount; Projects with regionalization were prioritized when Project Score and RTP were equal

Projects receiving Disadvantaged Community PF will be funded through Base and Supplemental capitalization grants

¹ requires formal General Plan submission and approval prior to loan application for design

² estimated PF is reduced by the estimated lead service line portion of the project

³ Malvern's Phase 1 project was bypassed as only one principal forgiveness award will be allocated per entity each program year

Total Requested \$125,515,908

STD = Standard PLN/DES = Planning or Design

DIS = Disadvantaged REG = Regionalization

LSL = Lead Service Line SML = Small Community

HAB = Harmful Algal Bloom Discount PFAS = Per- and polyfluoroalkyl substances

Water and Wastewater Infrastructure Funding Opportunities

Summary of Program Requirements

Planning/Environmental

- Demonstrate Project Cost-Effective
- Public Participation
- Environmental Review

Engineering/Technical

- Design complete
- Plan Approval –or- Permit to Install
- Bid documents complete
- Comply with AIS and BABAA

Financial

- Funding package in place
- User charge system adequate to repay debt
- WPCLF/WSRLA Loan Application submitted
- Loan Agreement Executed

Water and Wastewater Infrastructure Funding Opportunities

Summary Points

- WPCLF/WSRLA programs – Backbone of water funding in Ohio
- Low-interest loans offer substantial savings over market rates
- Interest rate discounts and principal forgiveness may be available
- IJA will further strengthen the WPCLF/WSRLA and create new dedicated funding for Emerging Contaminants and LSLs
- IJA funds will be available over the next 5+ years
- Planning and design funds can be available to develop projects
- Project Nominations: WSRLA – February; WPCLF - August

Water and Wastewater Infrastructure Funding Opportunities

How to Stay Connected?

Website: <https://epa.ohio.gov/>

Dedicated e-mail Inbox: infrastructurefunding@epa.ohio.gov

Subscribe for Updates: <https://ohioepa.custhelp.com/>

(Click on Subscribe to Updates along the top)

LinkedIn <https://www.linkedin.com/company/ohio-epa/>

Twitter <https://twitter.com/ohioepa>

Instagram <https://www.instagram.com/ohioepa/>



Contacts and Questions

Katie Courtright, DEFA Assistant Chief

614-705-1147

Kathleen.Courtright@epa.ohio.gov

Jon Bernstein, DEFA Chief

614-644-3715

Jonathan.Bernstein@epa.ohio.gov

Jerry Rouch, Deputy Director

614-644-3660

Jerome.Rouch@epa.ohio.gov

