

NHDES Drinking Water Updates - Funding Opportunities/Outlook, Regulatory Update and Emerging Issues

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Regulatory Update

- X Manganese—draft rules/informal stakeholder review any day now
 - 0.3 mg/L enforceable standard already is in place
 - 0.1 mg/L notification level is proposed

- X PFAS MCLs and Arsenic MCLs – fully implemented

- X Federal lead and copper rule – Rule finalized in December 2021
 - Incredible amount of work for water systems and NHDES
 - NHDES will be encouraging water systems to create their lead service line inventories ASAP

- X On 11/15/21 USEPA issued new draft toxicity data for PFOA & PFOS
 - Significantly increases the toxicity profile of both compounds
 - Data is being reviewed by a scientific board & NHDES



American Rescue

Plan Act (ARPA)



150,000,000

New Funding for Drinking Water, Wastewater, Stormwater & Resiliency





ARPA FUNDING COMPONENTS

Time Line

- x Mar. 3, 2021–Clock begins
- x Dec. 31, 2024–Funds Must be Obligated
- x Dec. 31, 2026–Funds must be spent

Eligibility

- x Eligible Applicants and Projects under the Drinking Water and Clean Water State Revolving Loan Funds

Good to Know

- x Grant Funds Only
- x Limited Federal Provisions for Projects under \$10M

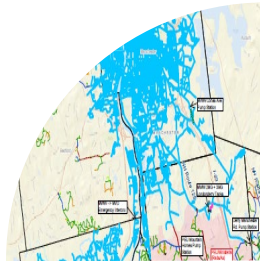


ARPA Funding Categories

PROJECT PLANNING

Improves project development & readiness

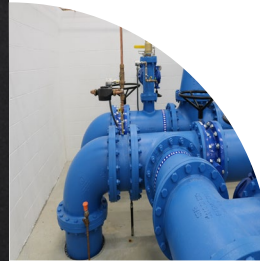
Assists communities applying to other funding programs



INFRASTRUCTURE PROJECTS

Distribution of ARPA grant funds across the state

Incentivizes communities to move forward with their projects



Propels communities forward

Support existing programs (i.e., asset management, energy, cybersecurity)

LONG-TERM SYSTEM SUSTAINABILITY



Comprehensive program to enhance quality and reliability of DW and WW infrastructure

DISADVANTAGED COMMUNITIES



ARPA \$ Distribution*

*All Funding Subject to Governor & Council Approval

Compared to annual DWSRF Cap Grant
\$11M
 (+\$10M repayment)

Overall Summary:

DW Allocations:

Category	Allocation
DW/CW Infrastructure	\$75
Critical Flood Risk	\$6
Planning	\$7.5
Disadvantaged	\$26.5
Sustainability	\$10
PFAS	\$25
Total Appropriation to Date	\$125

Category	Allocation
DW Infrastructure	\$37.5
DW Planning	\$3.75
Disadvantaged	\$13.25
Sustainability	\$5
Total Appropriation to Date	\$59.5M

DW Infrastructure

- Use DWSRF 2021 PPL (\$25M in DWSRF)
 - Anticipate some ARPA funding for 2022 DWSRF
- Tiered Approach w/\$2M Max per Project or Community
 - Based on affordability (water rate & MHI)

DWSRF Affordability	ARPA Grant
0.0 - 0.7	20%
0.8 - 1.4	30%
1.5 - 1.9	40%
2.0 - 5.0	50%

Sample Drinking Water Infrastructure Project

x Community A; 10% Affordability, 30% ARPA Grant

Total Project Request:	\$1,000,000
ARPA Grant:	<u>\$300,000</u>
Adjusted Project Cost*:	\$700,000
DWSRF PF:	<u>\$70,000</u>
Adjusted Project Cost:	\$630,000
*Authority to Borrow based on this amount; as needed	



DWSRF PPL - Next Steps

Offers letters
going out

Applicants
obtain
authority to
accept funds

Applicants
submit final
application
by June 1,
2022

Water System Sustainability Program

- **Asset Management Grant**
 - 100% Grant up to \$100,000

New

Strategic Planning Grant

- 100% Grant up to \$50,000
- “Reasonable expectation” turn in to a **Construction Project**

Water System Sustainability Program

- **Energy Audits**
 - 100% grant up to \$20,000
 - Existing Contract w/WW
- **Water Audits**
 - 100% grant up to \$20,000
- **Energy Audit Findings Implementation Grant**
 - Up to \$200,000 with 1:1 match

New

New



WSSG - Next Steps

Grant
Application
sent out
next week

Applications
Due 1/7/22

Applications
are reviewed
and selected
for funding

Disadvantaged Assistance

- **Disadvantaged**
 - **NH Coops (resident owned communities only)**
 - **\$1M CW / \$1M DW / \$2M Max Combined**
 - **Program Development in Process**
 - **1st Round 2021 and 2020 SRF PPLs**
 - **Additional Solicitations Planned March 2022**



Next Steps

Finalize
workplan,
process and
forms

Send out
offer letters

Applicants
apply and
complete
required
final
paperwork

Cybersecurity Implementation Grant




- Implement cybersecurity measures identified in a cybersecurity assessment
- Must include a cybersecurity response plan
- Maybe.....50% match; \$50,000 maximum
- WHEN: Early 2022

PFAS ARPA GRANT AND LOAN FUNDS

- x \$50M in loan funding is available
- x \$25M in grant funds (\$1.5M or 30% of eligible project cost)
- x Solicitation is ongoing

Funding opportunity Chart

<https://www.des.nh.gov/sites/g/files/ehbemt341/files/documents/2020-01/pws-funding-resources.pdf>

COMMON GRANT AND LOAN SOURCES FOR PUBLIC WATER SYSTEMS (PWS) IN NEW HAMPSHIRE					
Funding Program	Who's eligible	What can be funded	Terms	Application Timeframes	Contacts
 <p>New Hampshire Department of Environmental Services <small>(https://www.des.nh.gov)</small></p> <p><small>(Business and community loans and grants/ drinking water)</small></p>	Asset Management Grants	Community water systems ≥200 population	Development or expansion of asset management activities (inventory, financial, implementation)	Grant up to \$100,000 – no match required, (100% grant)	Due January 7, 2022 Luis Adorno DWGB, (603) 271-2472 luis.adorno@des.nh.gov
	Cyanotoxin Monitoring Grants	PWS that utilize a surface water source	Initial costs of approved equipment, supplies & training to perform cyanotoxin testing and/or monitoring	100% reimbursement of eligible costs, up to \$10,000. No match required	Anytime Liz Pelonzi DWGB, (603) 271-3906 Ann.Pelonzi@des.nh.gov
	Drinking Water State Revolving Fund (DWSRF) Loans	Community (publicly & privately owned) and non-profit, non-transient water systems	Capital improvements for drinking water infrastructure (design and construction)	Below-market interest rates; No closing costs; Up to 30 years for disadvantaged applicants	Spring Johnna McKenna DWGB, (603) 271-7017 Johnna.Mckenna@des.nh.gov
	Energy Audit Grants	Community water systems ≥50 connections	Comprehensive Process Energy audit of drinking water facilities	Grant up to \$20,000 – no match required, (100% grant)	Due January 7, 2022 Luis Adorno DWGB, (603) 271-2472 luis.adorno@des.nh.gov
	Energy Audit Implementation Grant	Community water systems ≥50 connections	Implementation of projects recommended in previous energy audits to reduce kWh's	Grant up to \$200,000 – 100% (1:1) match required	Due January 7, 2022 Luis Adorno DWGB, (603) 271-2472 luis.adorno@des.nh.gov
	Leak Detection Survey Grants	Community water systems	Acoustic leak detection surveys by a professional retained by NHDES	In-kind volunteer services required. No maximum, no match	Early Summer Stacey Herbold DWGB, (603) 271-6685 Stacey.Herbold@des.nh.gov
	Local Source Water Protection Grants	PWS, municipalities, conservation districts, non-profits & regional planning commissions	Source security & other source water protection projects	Grant up to \$20,000 – no match required, (100% grant)	Fall/Winter Bess Morrison DWGB, (603) 271-2950 Bess.morrison@des.nh.gov
	MTBE Remediation Fund	Public & private water systems impacted by MTBE contamination	Design & installation of drinking water infrastructure in areas with MTBE contamination	100% reimbursement for eligible costs	Anytime Michael Juranty MTBE Remediation Bureau (603) 271-8873 michael.juranty@des.nh.gov
	Petroleum Reimbursement Fund	Public & private water systems impacted by petroleum contamination	Design & installation of drinking water infrastructure in areas w/ petroleum contamination from unknown source	100% reimbursement of eligible costs	Anytime Jennifer Marts Petroleum Reimbursement Fund Program, (603) 271-2570 jennifer.marts@des.nh.gov
	PFAS Remediation Loan Fund	Community (publicly & privately owned) and non-profit, non-transient water systems	Drinking water infrastructure projects to address per-and polyfluoroalkyl (PFAS) maximum contaminant level (MCL) violations	Low interest loan rates; Up to 30 year term and subsidy for disadvantaged applicants	Anytime Amy Rousseau PFAS Response Administrator (603) 848-1372 Amy.Rousseau@des.nh.gov

Infrastructure Investment and Jobs Act (H.R. 3684)



Infrastructure Investment and Jobs Act (H.R. 3684)

- A comprehensive bipartisan infrastructure bill.
- \$43.426B in funding for SRFs over five years
 - CWSRF & DWSRF any eligible project - \$23.426B
 - CWSRF & DWSRF emerging contaminants - \$5B
 - DWSRF Lead - \$15B

\$307M in additional funding for NH from 2022-2026



Infrastructure Investment and Jobs Act (H.R. 3684)

Actual Appropriations Clean Water & Drinking Water SRFs (each):

- 2021: CW \$1.638B & DW \$1.126B
 - 2022: \$1.9B
 - 2023: \$2.2B
 - 2024: \$2.4B
 - 2025 and 2026: \$2.6B

PROPOSED INFRASTRUCTURE LEGISLATION - NEW SRF \$ IN ADDITION TO REGULAR SRF

Year	Infrastructure Drinking Water SRF - National Budget	NH 1%	State Match %	Additional State Match	Mandated Additional Subsidy
2022	\$1,902,000,000	\$19,020,000	10%	\$1,902,000	49%
2023	\$2,202,000,000	\$22,020,000	10%	\$2,202,000	49%
2024	\$2,403,000,000	\$24,030,000	20%	\$4,806,000	49%
2025	\$2,603,000,000	\$26,030,000	20%	\$5,206,000	49%
2026	\$2,603,000,000	\$26,030,000	20%	\$5,206,000	49%
Total	\$11,713,000,000	\$117,130,000		\$19,322,000	

PROPOSED INFRASTRUCTURE LEGISLATION - NEW SRF \$ IN ADDITION TO REGULAR SRF

Year	Drinking Water SRF Emerging Contaminants	NH 1%	State Match	State Match \$	Mandated Additional Subsidy
2022	800,000,000	\$8,000,000	0%	0	100%
2023	800,000,000	\$8,000,000	0%	0	100%
2024	800,000,000	\$8,000,000	0%	0	100%
2025	800,000,000	\$8,000,000	0%	0	100%
2026	800,000,000	\$8,000,000	0%	0	100%
Total	\$4,000,000,000	\$40,000,000			

PROPOSED INFRASTRUCTURE LEGISLATION - NEW SRF \$ IN ADDITION TO REGULAR SRF					
Year	Drinking Water SRF Lead	NH 1%	State Match	State Match \$	Mandated Additional Subsidy
2022	3,000,000,000	\$30,000,000	0%	0	49%
2023	3,000,000,000	\$30,000,000	0%	0	49%
2024	3,000,000,000	\$30,000,000	0%	0	49%
2025	3,000,000,000	\$30,000,000	0%	0	49%
2026	3,000,000,000	\$30,000,000	0%	0	49%
Total	\$15,000,000,000	\$150,000,000			



Infrastructure Investment and Jobs Act (H.R. 3684)

Key points for this supplemental appropriation:

- Funding is intended to be in addition to annual appropriations.
- Funding is available “until expended.”
- 10% State match for 2022-2023 and 20% for 2024-2026 for appropriations for any eligible project.
- A flat 49% of the annual capitalization grant for any eligible project must be used for additional subsidy.