



## State of New Jersey

Department of Environmental Protection

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<https://www.nj.gov/dep/watersupply/>

February 14, 2020

### NOTICE OF OPEN PUBLIC COMMENT PERIOD DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN

Dear Interested Party:

The Department of Environmental Protection (Department) has prepared the following document for the administration of the Federal Fiscal Year (FFY) 2020/State Fiscal Year (SFY) 2021 Drinking Water State Revolving Fund (DWSRF):

#### AMENDMENTS to the PROPOSED Drinking Water State Revolving Fund Intended Use Plan for Federal Fiscal Year 2020 (and State Fiscal Year 2021)

The Intended Use Plan (IUP) 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 its capitalization grants used to finance water infrastructure projects.

The FFY2020 DWSRF capitalization grant is targeted to be awarded to the Department in September 2020 or sooner, for use in the SFY2021 Financing Program (July 1, 2020 to June 30, 2021). The FFY2020/SFY2021 DWSRF IUP establishes the funding packages for eligible projects that close on financing between July 1, 2020 and June 30, 2021.

On December 20, 2019, the Department proposed the DWSRF IUP for FFY2020/SFY2021. The FFY2020 CWSRF IUP was proposed in a separate document. Copies of the proposed FFY2020 CWSRF and DWSRF IUPs are posted on the Department's web site at <http://www.nj.gov/dep/dwq/cwpl.htm>.

In response to comments received on the proposed December 2019 FFY2020 IUP, the Department is proposing additional amendments on the project and principal forgiveness caps for projects to address lead exposure in drinking water that are being funded with the approximately \$110M transferred as a result of the Water Infrastructure Funding Transfer Act (S. 1689).

The amendments include modifying the cap on principal forgiveness for lead service line replacement to 50% of total allowable project costs up to \$1M, \$5M, or \$20M per applicant/year (\$2M, \$10M, or \$40M in total project costs) based on the number of known lead service lines (<1,000, 1,000 to 5,000; or >5000). Furthermore, the project cap of \$25M for both publicly and privately-owned water systems will be extended to \$40M for projects to address lead exposure in drinking water that qualify for principal forgiveness. Any remaining projects costs may be funded by the I-Bank at Market Rate as capacity allows.

Additionally, the FFY2020 IUP maintains base loan rates modified in FFY2018 and will also fund projects based on both a project rank and readiness-to-proceed basis to ensure the highest priority projects (those impacting public health) will be funded with the available funds. The Department is actively pursuing additional funding sources to address the increasing drinking water infrastructure financial needs.

Written comments on the Amendments to the Proposed FFY2020 DWSRF IUP will be accepted until close of business on March 2, 2020 (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 DWSRF IUP.

Written comments on the **DWSRF IUP** should be sent to the following address:

Mail Code 401-04Q  
Patricia L. Gardner, Director  
Division of Water Supply and Geoscience  
PO Box 420  
401 East State Street, 4<sup>th</sup> Floor, West Wing  
Trenton, New Jersey 08625-0420  
Or

**watersupply@dep.nj.gov** with "DWSRF Comments" in the subject line

The Proposed Priority System documents are posted on the Department's web site at <http://www.nj.gov/dep/dwg/cwpl.htm>.

If you have any questions regarding the DWSRF IUP, please contact the following Department staff below:

Linda Doughty	Drinking Water SRF Project List and Policies 609-292-5550
Kristin Tedesco	Drinking Water SRF Project List and Policies 609-292-5550

Sincerely,



Patricia Gardner, Director  
Division of Water Supply and Geoscience