



# Clean Water State Revolving Fund (CWSRF) FFY22/SFY23

For Federal Fiscal Year (FFY) 2022 funds, which corresponds with State Fiscal Year (SFY) 2023, DEP plans to utilize approximately **\$57 million of unallocated principal forgiveness (PF)** or grant like funding **carried over at the end of SFY 2022** as principal forgiveness in SFY 2023 for categories set forth in this Intended Use Plan. DEP will supplement the carried over principal forgiveness funds with approximately **\$20 million projected to be available under the FFY 2022 Clean Water (CW) grant** from USEPA (CW Base FFY22).

In addition to the FFY 2022 CW Base grant, DEP will receive authority to award approximately \$40 million in additional principal forgiveness made available by the Infrastructure Investment and Jobs Act (IIJA), a/k/a, the Bipartisan Infrastructure Law (BIL), signed by President Joe Biden on November 15, 2021. The BIL will provide principal forgiveness of approximately **\$36 million for eligible clean water projects** under the FFY 2022 CWSRF General Supplemental grant (CW BIL GEN) and approximately **\$4 million for projects that address emerging contaminants** under the FFY 2022 CWSRF Emerging Contaminants grant (CW BIL EC).

Funds and principal forgiveness authority available from the grant awards will be blended with carryover principal forgiveness authority from prior grants (CW Base Prior), CWSRF repayments and state match funds, and other sources of CWSRF funds to provide funding to eligible projects.

SFY23 Clean Water Principal Forgiveness (PF)			
PF Sources	PF Amount	PF Uses	PF Amount
Carryover from prior Cap Grants	\$ 57,000,000	CSO Base	\$ 30,000,000
CW Base FFY22	\$ 20,000,000	CSO Affordability	\$ 30,000,000
CW BIL GEN	\$ 36,000,000	Water Quality Restoration	\$ 6,000,000
CW BIL EC	\$ 4,000,000	Overflow and Stormwater Grants	\$ 1,000,000
		Energy/Water Efficiency	\$ 10,000,000
		Emerging Contaminants	\$ 4,000,000
		Affordability	\$ 36,000,000
<b>Total:</b>	<b>\$ 117,000,000</b>	<b>Total:</b>	<b>\$ 117,000,000</b>



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## SFY23 Funding Packages (Long-Term Loans)

Clean Water Categories	DEP Share***	I-Bank Share***
CSO Abatement, CSO Abatement/Affordability*, Water Quality Restoration, Affordability Criteria, Energy and Water Efficiency, and Emerging Contaminants Projects (All capped at \$10 million)	<b>75%</b> (Minimum**) Interest Free Loan and Principal Forgiveness	<b>25%</b> (Maximum**) AAA Market Interest Rate Loan
All Other Water Quality Projects (Base CWSRF)	<b>50%</b> Interest Free Loan	<b>50%</b> AAA Market Interest Rate Loan
Brownfield Redevelopment (Conduit Projects)	<b>25%</b> Interest Free Loan	<b>75%</b> AAA Market Interest Rate Loan

\*CSO Abatement/Affordability project costs from \$10M to \$20M may be financed under the Affordability Criteria package. Costs over the caps may be financed under the Base CWSRF package.

\*\*The first \$5M of CSO Abatement/Affordability projects, the first \$2M of Affordability Criteria projects, and the first \$2M of Emerging Contaminants project will receive 100% PF to the extent PF funds are available.

\*\*\*I-Bank share may be higher, and DEP share lower if I-Bank is able to source below market interest rate funds through the Water Infrastructure Finance and Innovation Act (WIFIA) from USEPA. The effective interest rate will be no greater than would have resulted from financing with I-Bank's AAA bond funds at market interest rates and Department interest-free loan funds at shares shown in table.

## SFY23 Principal Forgiveness (PF) Opportunities

Clean Water PF	PF Share	PF Cap Per Applicant	Projected Amount of PF Available
CSO Abatement	50%	\$5M**	\$30M*
CSO Abatement in Communities that meet the CWSRF Affordability Criteria	100%		\$30M*
Water Quality Restoration	50%	\$2.5M	\$6M
Affordability Criteria	100%	\$2M	\$36M
Energy and Water Efficiency Projects	50%	\$2M	\$10M
Emerging Contaminants	100%	\$2M	\$4M
Overflow and Stormwater Grant (OSG) CW SRF PF Loans***	20%	\$0.2M	\$1M

\*\$5M in CSO Abatement and CSO Abatement/Affordability PF funds are set aside for CSO Green Infrastructure projects.

\*\* There is a total applicant PF cap of \$5M for CSO Abatement projects and CSO Abatement/Affordability projects in SFY23. For example, if an applicant is awarded \$5M under the CSO Abatement/Affordability

category, they would be limited by the cap and not eligible for additional PF under the CSO Abatement PF category in SFY23.

\*\*\*OSG CW SRF PF Loans will be awarded to CWSRF projects that receive an Overflow and Stormwater Grant. The OSG will cover 80% of the project costs (capped at \$1M) and the OSG CW SRF PF Loan will cover 20% of the project costs. OSG/OSG CW SRF PF Loan project costs are capped at \$1M. Costs in excess of \$1M may be eligible for funding and PF under the CSO Sewershed – Grey and Green Infrastructure category.

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