

PFAS External Advisory Group

Ad Hoc Meeting

April 28, 2022

Agenda

- Welcome and Introductions
- Bipartisan Infrastructure Law Discussion
- Public Comment

Roll Call

External Advisory Group Members		
Jason Culotta, Midwest Food Products Association	George Klaetsch, Wisconsin State Fire Chiefs Association	Doug Oitzinger, Marinette Citizen
Brian Grefe, Wisconsin Airport Managers Association	Lawrie Kobza, Municipal Environmental Group – Water Division	Laura Olah, Citizens for Safe Water Around Badger
Joe Grande, American Water Works Association – Wisconsin Section and Madison Water Utility	Scott Laeser, Clean Wisconsin	John Osborne, GZA GeoEnvironmental, Inc.
Chris Groh, Wisconsin Rural Water Association	Rob Lee, Midwest Environmental Advocates	John Robinson, Wisconsin’s Green Fire
Toni Herkert, League of Municipalities	Scott Manley, Wisconsin Manufacturers and Commerce	Pat Stevens, Wisconsin Paper Council
David Johnson, North Shore Environmental Construction, Inc.	Sharon Mertens, Milwaukee Metropolitan Sewerage District	Mark Thimke, Foley & Lardner LLP
Meleesa Johnson, Marathon County Solid Waste Department and Wisconsin Solid Waste PFAS Group	Lynn Morgan, Waste Management	Ned Witte, Godfrey & Kahn S.C.
Paul Kent, Stafford Rosenbaum LLP		

Bipartisan Infrastructure Law



Bipartisan Infrastructure Law: A Historic Investment in Water

President Biden's leadership and bipartisan Congressional action have delivered the single-largest investment in U.S. water infrastructure ever. The Bipartisan Infrastructure Law invests **more than \$50 billion** through EPA's highly successful water infrastructure programs.

- \$20+ billion for safe drinking water.
- \$15 billion in dedicated funding to replace lead pipes.
- \$12+ billion to ensure clean water for communities.
- \$1.8 billion to protect regional waters.
- \$135 million for additional water improvements.

With this funding, EPA, states, Tribes, and localities have a once-in-a-lifetime opportunity to strengthen and rebuild America's water infrastructure. EPA will ensure that all communities get their fair share of this federal water infrastructure investment—especially disadvantaged communities. This funding will put Americans to work in good-paying jobs and support a thriving economy.

Safe Drinking Water

There are still an estimated 6 to 10 million lead service lines in cities and towns across the country, many of which are in low-income neighborhoods and communities of color. The Bipartisan Infrastructure Law will deliver resources to remove these lead pipes, in line with President Biden's goal of removing 100% of lead service lines. This means that millions of families will be able to rely on drinking water that is safe from lead and other contaminants.

Clean Water for Communities

The nation's wastewater and stormwater management systems that are critical to safely returning used water to the environment are aging and breaking down. With more than \$12 billion for clean water infrastructure, communities will be able to upgrade these critical systems. This means that more people will be able to swim, fish, and play in their waters and the environment will be cleaner and more vibrant.

Protecting Regional Waters

Investing in regional waters—from the Chesapeake Bay, to the Great Lakes, to the Puget Sound—will better protect the nation's largest and most treasured waters to ensure that they continue to serve as vital economic and recreational assets.

Water is life. It keeps us healthy, sustains vibrant communities and dynamic ecosystems, and it supports the economy. Water infrastructure is essential to delivering reliable, affordable, and safe water. When water infrastructure fails, it threatens people's health, peace of mind, and the environment. The Bipartisan Infrastructure Law provides a historic investment to replace pipes, upgrade water treatment facilities, and ensure that America's water systems are resilient for the future.

Safe Drinking Water

\$15 billion

Lead Service Line Replacement through the [Drinking Water State Revolving Funds](#)
49% of funds will be provided to communities as grants or principal forgiveness loans. 51% of funds will be available to communities for low-interest loans. State match is not required.

\$11.7 billion

Drinking Water State Revolving Funds
49% of funds will be provided to communities as grants or principal forgiveness loans. 51% of funds will be available to communities for low-interest loans. State match is reduced to 10%.

\$4 billion

Addressing Emerging Contaminants through the Drinking Water SRF
Can be used to remediate PFAS in drinking water. All funds provided to communities as grants or principal forgiveness loans. State match is not required.

\$5 billion

Addressing Emerging Contaminants in Disadvantaged Communities
Funding through [Small, Underserved, and Disadvantaged Communities Grants](#)
Can be used to remediate PFAS in drinking water. Provided as grants. State match is not required.

Clean Water for Communities

\$11.7 billion

Clean Water State Revolving Funds (CWSRF)
49% of funds will be available for grants or principal forgiveness loans. 51% of funds will be available for low-interest loans. State match is reduced to 10%.

\$1 billion

Addressing Emerging Contaminants
Funding through Clean Water State Revolving Funds. All funds provided as grants or principal forgiveness loans. State match is not required.

Protecting Regional Waters

\$1.7 billion

Geographic Programs
Funding directed to 12 federally recognized geographic programs.

\$132 million

National Estuary Program (NEP)
Funding to be distributed across 28 Federally recognized estuaries to restore vulnerable coastal areas and communities.

Additional Investments in Water

\$60 million

Gulf of Mexico Hypoxia Task Force (HTF)
Funding to be divided equally across 12 Hypoxia Task Force states.

\$50 million

Underground Injection Control Grants (UIC)
Funding to support states' efforts to attain Class VI primacy. 100% of funding provided as grants. State match is not required.

\$25 million

Permitting Class VI Wells (Class VI Wells)
Support to EPA for carbon sequestration programs.

BIL Implementation for Emerging Contaminants Funding in WI

April 28, 2022

Jim Ritchie, Becky Scott, Matt Marcum

Bureau of Community Financial Assistance



Presentation Outline

- Recap - Existing State Revolving Loan Programs
- BIL Infrastructure Funding to Wisconsin
- BIL Emerging Contaminants Funding and Program Development
 - Discussion and Feedback

Existing State Revolving Fund - Loans

- Clean Water & Drinking Water SRFs, Private LSL Replacement Program, and CWF Pilot Program.
- Subsidized interest rates – updated quarterly.
 - 2.035% for most municipalities
 - 1.221% for disadvantaged municipalities
- 20 – 30 year loan terms (based on design life of the project).
- Portions of loans may be awarded as Principal Forgiveness for eligible applicants. Like grant funding – no repayment.
- Repayments revolve and become available for new loans.
- Funds are disbursed to municipalities as a reimbursement for incurred costs.

Bipartisan Infrastructure Law (BIL)

\$\$ coming to WI SRFs

Significant funding through the SRFs for each of the next *five* years (2022-2026)

Program	Annual Funding	Mandatory
Clean Water SRF - Supplemental	\$48 – 66 million	49% forgiveness
Drinking Water SRF - Supplemental	\$30 – 41 million	49% forgiveness
Clean Water Emerging Contaminants	\$2.5 – 5.7 million	100% forgiveness
Drinking Water Emerging Contaminants	\$12.8 million	100% forgiveness
Drinking Water LSL Replacement	\$48 million	49% forgiveness

BIL – 9 Key Priorities

- **Provide Flexibility to Meet Local Water Needs:** A fundamental principle of the SRFs—flexibility provided to states and borrowers to addressing varied local water challenges.
- **Increase Investment in Underserved Communities:** Use 49% of DWSRF General Supplemental, the CWSRF General Supplemental, and the DWSRF Lead Service Line Replacement funds and at least 25% of the DWSRF Emerging Contaminants funds as grants and forgivable loans to disadvantaged communities/affordability criteria.
- **Make Rapid Progress on Lead Service Line Replacement:** Maximize the \$15 billion dedicated to lead service line removal, as well as other funding streams, towards the 100% removal goal.
- **Tackle Forever Chemicals:** Invest \$5 billion through the SRFs to reduce people’s exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants.
- **Focus on Resilience, Climate, One Water Innovation:** Prioritize projects for climate mitigation, adaptation, coastal and drought resilience, flooding, natural infrastructure, and ecosystem preservation and restoration.

BIL – 9 Key Priorities

- **Support American Workers and Renew the Water Workforce:** Renew America's water workforce and create good-paying jobs in communities across America.
- **Cultivate Domestic Manufacturing:** Create long-term opportunities for domestic manufacturers and manufacturing jobs and build resilient domestic supply chains for a wide range of products.
- **Fully Enforce Civil Rights:** Ensure federal funds are not being used to subsidize discrimination based on race, color, or national origin.
- **Refine State SRFs to Build the Pipeline of Projects:** Strategically use new authorities and funds from BIL as a catalyst to continue building and maintaining a robust project pipeline of SRF projects.

Focus on Disadvantaged Communities

- EPA is encouraging states to review disadvantaged criteria (i.e. principal forgiveness eligibility).
 - DNR is working on revisions to our disadvantaged criteria to make it more meaningful.

Median Household Income	Poverty Percentage (Families)	Population	Population Change	Unemployment Rate
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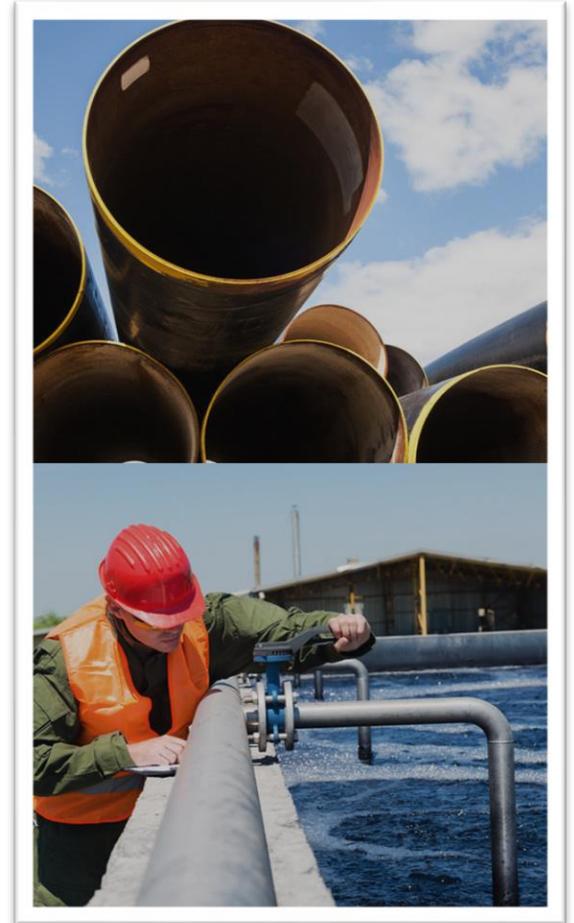
- DNR may use different disadvantaged community definitions for different pots of funding.

Federal Requirements

- American Iron & Steel / Build America, Buy America (BABA)
- Davis-Bacon Wages
- Disadvantaged Business Enterprises
- Environmental Reviews
- Other federal cross cutting requirements based on project specifics

Build America, Buy America (BABA)

- Expansion of existing American Iron & Steel (AIS) requirements.
 - Will cover all construction materials and manufactured goods.
- Applies to all pots of funding.
- Office of Management and Budget recently released guidance. EPA will interpret OMB guidance as implementation procedures.



Emerging Contaminants – BIL Funding

Program	Annual Funding	Mandatory
Clean Water Emerging Contaminants	\$2.5 – 5.7 million	100% forgiveness
Drinking Water Emerging Contaminants	\$12.8 million	100% forgiveness

- Intended to address municipal drinking water and wastewater treatment for PFAS, other contaminants are eligible at the federal level.
- DW SRF – 25% of funding must go to disadvantaged communities or public water systems serving less than 25,000 persons.
- CW SRF – no restriction on how funding is awarded.

Initial Program Focus in Wisconsin – Emerging Contaminants

- DNR intends to utilize both Drinking Water and Clean Water (wastewater) funding.
- Initial program development will focus on Drinking Water, followed by Clean Water (wastewater).
- Drinking water funding will be utilized to address PFAS contamination, given the growing need.

Proposed Project Eligibilities – Emerging Contaminants

- Construction of a new treatment facility or upgrade to an existing treatment facility.
 - Costs associated with temporary/portable PFAS treatment systems that are included with a funding request for a long-term solution. Rental or lease costs are eligible.
- Development of a new source (i.e., new/replacement well or intake for a public water system).
- Consolidation with another water system that does not have emerging contaminants present or has removal capability.
- Creation of a new community water system or extension of a distribution system to address unsafe drinking water provided by individual (i.e., privately-owned) wells or surface water sources.

Proposed Project Eligibilities (Cont.) – Emerging Contaminants

- Costs for planning, design and associated pre-project costs.
 - Eligible costs can include an alternatives analysis and non-routine sampling associated with project planning.
 - Costs are eligible as part of a funding request for a project that provides a long-term solution, not as stand-alone costs.
- Infrastructure related to pilot testing for treatment alternatives.
 - Costs are eligible as part of a funding request for a project that provides a long-term solution, not as stand-alone costs.
- Bottled water is NOT eligible, per federal regulations.

Discussion / Feedback

Project Scoring Considerations – Emerging Contaminants

- DNR is developing a project scoring system that may consider the following criteria:
 - Level of contamination
 - Economic need / Disadvantaged community criteria
 - Population served / population impacted

[Discussion / Feedback](#)

Funding Approach – Emerging Contaminants

- Demand likely to exceed available funding.
- Awards will most likely be a mix of Emerging Contaminants Principal Forgiveness (PF) and regular SDWLP dollars.
 - Need to establish PF cap amount.
- Plan to coordinate Emerging Contaminants funding with WIIN grants for PFAS projects in small (population <10,000) and underserved communities, \$17M. Awaiting EPA guidance.

[Discussion / Feedback](#)

Next Steps - Emerging Contaminants

- DNR is developing this new funding program
- Funding can reimburse eligible expenses already incurred
- Program specifics will be included in amendments to the SFY23 Intended Use Plans – anticipated summer 2022

Timeline – Emerging Contaminants

- SDWLP Intended Use Plan (IUP) anticipated to be published in May.
 - SFY23 Applications due June 30
- CWF IUP anticipated to be published in June.
 - SFY23 Applications due September 30
- Amendments to the IUP's to address Emerging Contaminants anticipated late summer/early fall.
 - Anticipate using a separate ITA/PERF & application cycle at least for the first year.
- New disadvantaged communities criteria for the base programs will be included in the IUP's.

BIL Outreach

- Outreach has always been a part of the SRF program.
- As a result of the BIL, EPA is encouraging state SRFs to conduct additional outreach/interact with stakeholder groups, particularly those who represent underserved communities.
- Outreach Plans:

Website Updates	Newsletters	Gov Delivery
Webinars	Public Comments	Stakeholder Meetings
Conference Presentations	FIIT Team Outreach Sub-Committee	League of Municipalities

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"WILD WISCONSIN:
OFF THE RECORD"

Open Forum External Advisory Group Members

Public Comment

- Submit questions or comments via the chat function in Zoom (please indicate if you'd like to read aloud)

OR

- “Raise Hand” and you’ll be unmuted to provide your comment
- We will attempt to address comments and requests to speak in the order that they are received
- Please keep comments to 3 minutes

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