Webinar on Draft 2020 IUPs
Clean Water and Drinking Water SRFs

July 24, 2019
Agenda

EFC Overview
SRF Program Overview
Intended Use Plan Overview
Hardship Eligibility
Program Requirements
Financing Available
Summary

Public Comments on the Draft 2020 IUPs will be accepted until September 3, 2019
NYS EFC Overview
EFC Overview

- Public benefit corporation that provides low-cost capital and grants for water-quality improvement projects
- Provides financial assistance for local wastewater and drinking water infrastructure through Clean Water and Drinking Water State Revolving Fund Programs
- New York’s Water Infrastructure Bank
National Leader in Water Infrastructure Investment

- NYS leads the nation with the largest annual investment in water-quality infrastructure
- Since 2011, EFC has provided more than $18 billion in subsidized loans, grants and loan re-financings to local governments
Revolving Funds

- The federal Environmental Protection Agency (EPA) provides grants to all 50 states and Puerto Rico to fund their SRF programs
- States provide a 20 percent match
- Each state operates its own CW and DW revolving fund
- The programs provide low-cost financing for water infrastructure projects
- As recipients make repayments (of principal plus interest), the principal returns to the revolving fund to be used to make new loans to other recipients
- Over time, each fund grows as new financings are made and repayments return to the fund
- The objective is a sustainable method of infrastructure finance
Eligible Projects

DWSRF
- Upgrade or replace drinking water infrastructure
- Address non-compliance with federal or state health standards
- Prevent future violations of federal or state health standards
- Provide public with safe drinking water

CWSRF
- Treatment Works (CWA § 212)
- Non-point Source (CWA § 319)
- National Estuary Conservation and Management Plan (CWA § 320)
- Decentralized systems
- Recycled water and water re-use
Intended Use Plan Overview
Intended Use Plan (IUP)

- The Intended Use Plan describes each SRF program, lists available funds and identifies the use of those funds each FFY
- EFC assigns a project priority score based on water quality and public health impacts
- Eligible project costs will be based on documented estimates from engineering reports, plans and specifications, and bid awards
Project Priority Lists

- The Multi-Year List identifies all projects for which applicants have expressed an interest in receiving SRF financial assistance.
- The Annual List is a subset of the Multi-Year List consisting of projects for which an approvable engineering report and a smart growth form have been submitted.
- Only projects on the Annual List may receive financial assistance during the IUP Period (October 1, 2019 through September 30, 2020).
How to List a Project for SRF Funding

Listings are due by September 3, 2019

**DWSRF**
- PDF listing form is available on [www.efc.ny.gov](http://www.efc.ny.gov)
- An engineering report must be submitted for the project to be on the Annual List

**CWSRF**
- List and update your project using PLUS: [https://plus.efc.ny.gov/plus](https://plus.efc.ny.gov/plus)
- An engineering report and smart growth form must be submitted for the project to be on the Annual List
Engineering Report Outline

Each SRF program has its own Engineering Report Outline, which includes sections on: project background and history, alternatives analysis, summary and comparison of alternatives, and recommended and selected alternatives

DWSRF

- Engineering reports for new listings should conform to the Engineering Report Outline

CWSRF

- Engineering reports must conform to the Engineering Report Outline
- Green infrastructure must be analyzed if the project includes stormwater

Engineering Report Outlines are available at www.efc.ny.gov
Initial Review

The listing form, the project, and the supporting information submitted are reviewed to:

- Confirm that the project is eligible for SRF financing
- Determine the project category (CWSRF only)
- Score the project using the Priority Ranking Criteria
Project Categories

CWSRF
Categories A, B, & C are categorized by municipal population*
- A – 3,500 or less
- B – 3,501 through 2 million
- C – greater than 2 million

Category D – municipal hardship projects
Category E – non-municipal projects
Category G – projects that meet the EPA Green Project Reserve criteria

*2017 American Community Survey 5-year census data
CWSRF Project Scoring (Categories A-E)

Priority Ranking Criteria

- Existing Source Criterion
- Water Quality Improvement
  - Classification Points Factor
  - Impairment Factor
  - Potential Improvement Factor
- Consistency with the Goals of Management Plans
- Enforcement
CWSRF Project Scoring (Categories A-E)

Priority Ranking Criteria (continued)

- Prioritize Existing Infrastructure
- Consistency with the goals of the Open Space Plan
- Construction Start
- Financial Need (municipal projects only)
- Economic Need
DWSRF Project Scoring

Public Health Priority Ranking Criteria

Ranking criteria is set in regulation

Basis for Priority Ranking Criteria:

- Highest priority given to acute public health risks
- Next priority given to situations that pose chronic/long term risks
- Also considers issues related to necessary infrastructure needs
DWSRF Project Scoring

Public Health Priority Ranking Criteria (continued)

Technical Factors
- MCL/Treatment Technique Violation
- Other Sanitary Code Violations
- System Reliability/Dependability Issues

Non-Technical Factors
- Governmental Needs
- Financial Need (Refer to Attachment 1 of the IUP)
Updates to Project Information

EFC requests updates on CWSRF projects annually to maintain the most current project schedule and budget

- Municipalities with Projects on the Annual List with a ‘U’ in the notes column should complete updates in PLUS if they have not already done so
- [https://plus.efc.ny.gov/plus](https://plus.efc.ny.gov/plus)

DWSRF updates are accepted on a continuous basis, but changes will be reflected in the Final IUP
# Proposed Uses of 2020 CWSRF IUP Funds

## Total Funds

<table>
<thead>
<tr>
<th>Funds for Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financings and Additional Subsidy (Category D)</td>
<td>$160,491,761</td>
</tr>
<tr>
<td>Financings (Categories A, B, C)</td>
<td>$441,563,817</td>
</tr>
<tr>
<td>GIGP and ISC (Category G)</td>
<td>$16,718,752</td>
</tr>
<tr>
<td><strong>Subtotal - Amount for Projects</strong></td>
<td><strong>$618,774,330</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funds for Non-Project Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expenses</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Bond Debt Service and Investment Deposits</td>
<td>$487,968,552</td>
</tr>
<tr>
<td><strong>Subtotal – Amount for Non-Project Expenses</strong></td>
<td><strong>$495,968,552</strong></td>
</tr>
</tbody>
</table>
Proposed Uses of 2020 DWSRF IUP Funds

<table>
<thead>
<tr>
<th>Funds for Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve Allocation for Leveraging (will finance $185 mil in project costs)</td>
<td>$61,900,000</td>
</tr>
<tr>
<td>Direct Financings (inclusive of short- and long-term)</td>
<td>$140,000,000</td>
</tr>
<tr>
<td>Grants (new awards, grants expected to close, and grant reserve)</td>
<td>$29,700,000</td>
</tr>
<tr>
<td><strong>Subtotal - Amount for Projects</strong></td>
<td><strong>$231,600,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funds for Non-Project Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set-Asides (Administration, Technical Assistance, Program Management)</td>
<td>$7,200,000</td>
</tr>
</tbody>
</table>

**Note:** Refer to Table 1 of the DWSRF IUP for additional details regarding Sources & Uses of funds.
Hardship Eligibility
Hardship Financing

Municipalities eligible for hardship financing qualify for zero-interest loans

- EFC does not charge issuance costs or an annual fee on hardship financing
- Municipalities eligible for hardship financing may also qualify to receive federal grant
SRF Hardship & Grant Eligibility

To be eligible, a municipality must have:

- A population less than 300,000 and
- A 2017 Median Household Income (MHI) that is:
  - Less than 80% of the regionally adjusted Statewide MHI or
  - 80% to less than 100% of the regionally adjusted Statewide MHI with a family poverty greater than the Statewide Poverty of 11.3%

A project must have a core score that would place the project above the Hardship Subsidy Line on the Annual List to be eligible

Privately-owned drinking water infrastructure projects must be regulated by the Public Service Commission (PSC) to be eligible

Note: Population, MHI and Poverty as measured by the 2017 American Community Survey 5-year data
Regionally Adjusted MHI

The Statewide MHI for New York State, taken from the 2017 American Community Survey, is $62,765. This is adjusted for certain counties by a Regional Cost Factor (RCF):

<table>
<thead>
<tr>
<th>Region</th>
<th>RCF</th>
<th>Adjusted MHI</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstate</td>
<td>1.00</td>
<td>$ 62,765</td>
<td>$ 50,212</td>
<td>$ 62,765</td>
</tr>
<tr>
<td>Dutchess, Orange, Putnam, Rockland, Sullivan, and Ulster Counties</td>
<td>1.33</td>
<td>$ 83,477</td>
<td>$ 66,782</td>
<td>$ 83,477</td>
</tr>
<tr>
<td>Suffolk, Nassau and Westchester Counties</td>
<td>1.54</td>
<td>$ 96,658</td>
<td>$ 77,326</td>
<td>$ 96,658</td>
</tr>
</tbody>
</table>
## SRF Hardship & Grant Limitations

<table>
<thead>
<tr>
<th>CWSRF</th>
<th>DWSRF</th>
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</thead>
<tbody>
<tr>
<td>▪ No maximum project cost threshold</td>
<td>▪ No maximum project cost threshold</td>
</tr>
<tr>
<td>▪ Grant limited based on Grant eligibility criteria in the Hardship Policy to $2, $3.5, or $5 million or 25% of the net eligible project cost.</td>
<td>▪ Grant limited to the lesser of $3 million or 60% of net eligible project costs</td>
</tr>
<tr>
<td>▪ Municipalities may receive a maximum of:</td>
<td>▪ Municipalities may receive a maximum of:</td>
</tr>
<tr>
<td>▪ $20 million hardship financing over a rolling 5-year period (FFY 2016 – 2020)</td>
<td>▪ $14 million in hardship financing over a rolling 5-year period (FFY 2016 – 2020)</td>
</tr>
<tr>
<td>▪ $5 million in grant each year</td>
<td>▪ $3 million in EFC grant over a rolling 5-year period (FFY 2016 – 2020)</td>
</tr>
</tbody>
</table>
Revisions to the Hardship Policy

Population, MHI and Poverty from the 2017 American Community Survey 5-year data will be used to determine CWSRF and DWSRF Hardship Eligibility starting October 1, 2019.

CWSRF
In the past, projects with a total project cost greater than $20 million needed to have a consent order to qualify for Hardship. This requirement has been eliminated.

Visit www.efc.ny.gov for more information
SRF Program Requirements

American Iron and Steel (AIS)
- Requires recipients to use iron and steel products produced in the United States in construction

Davis-Bacon prevailing wage
- Requires Contractors and Subcontractors to pay laborers and mechanics not less than the prevailing wage

Business participation for NYS certified minority- and women-owned businesses ("MWBEs")
- Goals applied to contracts and subcontracts to promote participation opportunities for MWBEs in governmental procurement contracts

Visit www.efc.ny.gov for more information
MWBE Changes

- All applicants must incorporate MWBE provisions and requirements into all contracts pursuing SRF financial assistance, including costs incurred prior to application.
- Effective October 1, 2019, failure to adequately incorporate and carry out MWBE provisions and requirements in any contract will result in the loss of SRF financial assistance for that particular contract.
EFC has bid packets available which contain the following:

- A brief description of program requirements for contracts and subcontracts funded by the SRF
- Required language for contracts and subcontracts to satisfy the SRF Program requirements
- Guidance materials to assist entities in complying with the program requirements, including required forms

Bid packets are available at www.efc.ny.gov
Financing Available
Types of Financial Assistance Offered by EFC

**Loans**
- Duration
  - Short-Term
  - Long-Term
- Interest Rate
  - 0% Interest
  - Subsidized
  - Market Rate

**Grants**
Short-Term Funding

- Generally up to 5-year term
- Designed to provide recipients with funding to design and initiate construction on SRF eligible projects
- Can be used to pre-finance other sources of funds
- Market Rate financings will only be charged interest on the disbursed amount
Long-Term Funding

- Long-Term financings are generally amortized up to a term of 30 years
- Market Rate [June 2019 Rate = 3.30%]
- Subsidized interest rate
  - June 2019 Drinking Water 33 1/3% subsidy rate = 2.20%
  - June 2019 Clean Water 50% subsidy rate = 1.65%
- 0% Interest rate
SRF Financing Application Requirements

Projects must be on the Annual List to apply

- SRF Financing Application Form
- Completion of the State Environmental Quality Review (SEQR)
- Signoff of project by NYS Office of Parks, Recreation and Historic Preservation (SHPO)
- District formation (if necessary)
- Adoption of a bond resolution

Applications are due to EFC by: June 26, 2020

Visit www.efc.ny.gov for more information
Submit Applications Electronically

You may now submit the SRF Financing Application form and all the required supporting documentation by using the Large File Transfer feature on EFC’s website to transmit them to:

- CWSRFapply@efc.ny.gov
- DWSRFapply@efc.ny.gov

Applications are due to EFC by: June 26, 2020

Visit www.efc.ny.gov for more information
Schedule for 2020 SRF IUP Period

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 8, 2019</td>
<td>IUP Public Hearing</td>
</tr>
<tr>
<td>September 3, 2019</td>
<td>Close of public comment period</td>
</tr>
<tr>
<td></td>
<td>Cut-off date for listing additional projects in the Final IUP</td>
</tr>
<tr>
<td>October 2019</td>
<td>IUP effective date – FFY 2020</td>
</tr>
<tr>
<td>June 26, 2020</td>
<td>Financing Applications due</td>
</tr>
<tr>
<td>September 30, 2020</td>
<td>End of IUP Period – FFY 2020</td>
</tr>
</tbody>
</table>

Visit [www.efc.ny.gov](http://www.efc.ny.gov) for more information
SRF Suggestions for Applicants

- Contact DOH and/or EFC staff early to discuss your project
- Submit listing forms and applications as early as possible
- Identify and apply for all required permits as soon as possible
- Contact NYS DEC Regional Permit Administrator to discuss environmental reviews
- Initiate district formation (where applicable)
- Submit engineering report and executed engineering agreements early
- Involve your local counsel and bond counsel early, including bond authorization
- Involve municipal representatives
EFC Staff

Lawyers, engineers, account staff, and financial and debt service professionals

Staff provides various services to clients

- Application assistance
- Legal, engineering and financial expertise
- Individual project consultations
- On-site visits
- Public outreach and education
DOH Central Office Contacts

(From Attachment VIII of the IUP)
# Public Comments on the Draft FFY 2020 IUPs

Send written comments by September 3, 2019:

<table>
<thead>
<tr>
<th>CWSRF</th>
<th></th>
<th>DWSRF</th>
</tr>
</thead>
</table>
| **Timothy P. Burns, P.E.**  
Director of Engineering & Program Management | | **Michael J. Montysko, P.E.**  
Design Section Chief  
NYS DOH BWSP |
| **Karen Rusin, P.E.**  
Manager, Technical Support and Central Project Section | | **David S. Phillips, P.E.**  
Professional Engineer 2  
NYSDOH BWSP |
|  
*IUPcomments@efc.ny.gov*  
518-402-7396 | |  
*bpwsp@health.ny.gov*  
518-402-7650 |
|  | | (If by email, please reference “Draft IUP comment” in the subject line) |
Any Questions?