



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION

MAIL CODE 401-02B

WATER RESOURCES MANAGEMENT

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SHEILA Y. OLIVER
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Commissioner

December 12, 2019

NOTICE OF OPEN PUBLIC COMMENT PERIOD

**Clean 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 FFY2020/SFY2021 Clean Water State Revolving Fund:

Clean Water State Revolving Fund (CWSRF) Program
Proposed Federal Fiscal Year 2020/ State Fiscal Year 2021 Intended Use Plan

The Intended Use Plan 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 grant used to finance water infrastructure projects.

The FFY2019 CWSRF IUP was proposed in December 2018 and a public hearing held on January 9, 2019. The Department’s CWSRF FFY2019 IUP is finalized with no changes and has been approved by USEPA.

The FFY2020 CWSRF capitalization grant is targeted to be awarded to the Department in September 2020 or sooner, for use in the State Fiscal Year 2021 Financing Program (July 1, 2020 to June 30, 2021).

Clean Water State Revolving Fund (CWSRF) Program

The Department and the NJ Infrastructure Bank (I-Bank) made several changes to the CWSRF program in FFY19/SFY20 in recognition of concerns that the CWSRF Program faced a potential shortage of available funds to meet projected future needs at the previous rates and the Program continues to support those changes. The proposed Department and I-Bank shares for SFY21 are identified below:

<u>Project Category</u>	<u>Financing Package</u>
CSO Abatement and Water Quality Restoration Projects	75% DEP Interest Free/25% I-Bank Market Rate (for the first \$10M in allowable costs; costs above \$10M to be financed with 50% DEP Interest Free/50% I-Bank Market Rate)
All Other Water Quality Projects	50% DEP Interest Free/50% I-Bank Market Rate
Private Conduit Projects	25% DEP Interest Free/75% I-Bank Market Rate

The Department will set aside approximately \$10M in principal forgiveness for Water Quality Restoration projects throughout the state that will eliminate, prevent or reduce documented occurrences of shellfish bed downgrades, beach closings and advisories due to the presence of harmful algal blooms (HABs). If there is insufficient demand from eligible HAB projects in SFY2021, unallocated funds may be used for projects that address shellfish bed downgrades, beach closings and advisories due to the presence of pathogens.

In addition, the Department plans to utilize any unallocated principal forgiveness funds carried over at the end of SFY20 as principal forgiveness in SFY21. Any unallocated principal forgiveness funds carried over for the Small System Asset Management Plan project category will continue to be used for that category in SFY21. All other unallocated principal forgiveness funds will be used in SFY21 in the CSO Sewershed – Grey and Green Infrastructure project category.

The Department will supplement the above principal forgiveness funds with approximately \$25M projected to be available under the FFY20 CWSRF grant from USEPA. In SFY21, \$15M of the new principal forgiveness funds will be used for CSO Sewershed – Grey and Green Infrastructure projects and \$10M will be allocated to the new Water Quality Restoration project category.

The Department has also revised the Program’s Affordability Criteria to better identify applicants that would have difficulty financing projects without additional subsidization.

A hearing on the Proposed FFY2020 CWSRF IUP will be held at the offices of the NJ Environmental Infrastructure Trust, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey, in the large conference room on Tuesday January 7, 2020. The hearing will commence at 10:00 a.m. and conclude at noon or the end of testimony

(whichever is sooner). Presentations may be made orally or in writing; if written testimony is prepared, the oral presentation should be limited to a summary of the text. The period for submitting written comments on the proposal will close on January 10, 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 CWSRF IUP.

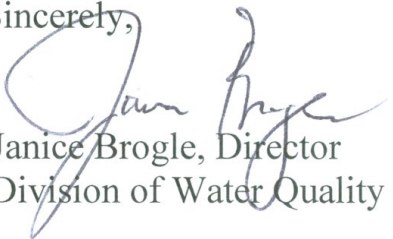
Written comments on the **CWSRF IUP** should be sent to the following address:

Mail Code 401-03D
Eugene Chebra, P.E., Assistant Director
Municipal Finance and Construction Element
Division of Water Quality
PO Box 420
401 East State Street, 3rd Floor, West Wing
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or
Eugene.Chebra@dep.nj.gov

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

If you have any questions regarding the CWSRF IUP proposal, please contact Eugene Chebra, Assistant Director, Municipal Finance and Construction Element, Division of Water Quality at 609-292-8961.

Sincerely,



Janice Brogle, Director
Division of Water Quality