## STATE OF MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION





Date: March 7<sup>th</sup>, 2025

To: All municipal wastewater facilities, systems, associations, and engineering firms

From: Brandy M. Piers, P. Eng., P.E.

Clean Water State Revolving Fund (CWSRF) Program Manager

Subject: FFY 2025 Project Funding Requests for:

• CWSRF - Base Fund

• CWSRF – Bipartisan Infrastructure Law (BIL) Supplemental (Supp.)

• CWSRF – BIL Emerging Contaminants (EC)

Each year, the United States Congress has appropriated federal funds for the base CWSRF program to finance wastewater infrastructure projects and water quality improvement or protection projects. The funds are passed through the Environmental Protection Agency (EPA) to state CWSRF programs to capitalize their loan programs. The Maine Department of Environmental Protection (DEP) and the Maine Municipal Bond Bank (MMBB) administer Maine's CWSRF program. Our allotment and the share of the funds that can be distributed in the form of loan and principal forgiveness depends on the passage of the federal budget and the Appropriations Act language. We have not yet received notification of the State's base CWSRF 2025 allotment; however, we are proceeding to solicit projects for funding so that we can make funds available as soon as possible.

President Biden signed the Bipartisan Infrastructure Law (BIL) on Monday, November 15, 2021. This is a big and bold investment in our nation's infrastructure. For the State of Maine's CWSRF program, we are anticipating this supplemental and emerging contaminant funding respectively to be \$18.8M and \$1.6M for 2025, with an increasing annual amount from this fund through 2026. To summarize the FFY 2025 the <u>estimated funding available</u> see the table below:

FFY 2025 Funds	Total Amount	Principal Forgiveness
CWSRF – Base	\$ 6,319,000	\$ 1,895,700
CWSRF – BIL Supp.	\$18,879,000	\$9,250,710
CWSRF – EC	\$1,646,000	\$1,646,000
CWSRF – Repayments	\$25,000,000	\$0
CWSRF – State Match	\$5,039,600	\$0
Total (Excluding Base)	\$56,883,600	\$12,792,410

These projects will be environmentally ranked, and, if available, principal forgiveness (PF) will be offered to applicants based on the applicant's ability to afford the proposed project. The DEP is requesting applications from municipalities and districts for potential wastewater infrastructure projects and other water quality improvement practices that might be funded through the CWSRF. The purpose of this letter is twofold. First, we must demonstrate to EPA that the State has a need for the capitalization grant to fund a list of potential projects. Second, we need to rank these projects to determine which ones will receive the PF. If you are interested in CWSRF funding, please complete the appropriate attached 2025 CWSRF Application 1-3, and submit them to the Department by 5:00 p.m., April 18<sup>th</sup>, 2025.

The Department intends to offer loan PF in following categories:

Category	Description	Amount
Affordability	Assists communities that would have a significant hardship in raising the necessary revenues to fund their projects*	Varies Annually**
Climate Adaptation Plan (CAP)	Development of a CAP for a wastewater system (no match required)	Up to \$30,000
Fiscal Sustainability Plan (FSP)	Implementation of a FSP (a.k.a. asset management plan) or to make improvements to an existing FSP (requires a 100% match)	Up to \$50,000
Green Infrastructure (GI)	Available for assisting communities with Green Infrastructure	Varies Annually**
Stormwater and Non- Point Source Plans (SW/NPS)	Available for standalone SW/NPS Plans that are not associated with a construction loan project (requires a 100% match)	Up to \$200,000

<sup>\*</sup> Applicants that received affordability principal forgiveness from the DEP in both previous funding years (2023 & 2024) are not eligible for affordability principal forgiveness in 2025.

## **Included in the emailed package are:**

- 2025 CWSRF Application 1 *Information Request Form for Wastewater Infrastructure Projects* is for applicants requesting funding for wastewater infrastructure projects.
- 2025 CWSRF Application 2 *Information Request for Standalone FSPs & CAPs* is for applicants that are not requesting funding for a wastewater infrastructure project but are interested in FSP and/or CAP funding.
- 2025 CWSRF Application 3 *Information Request for Standalone SW/NPS Management* planning studies.

Supplemental Materials, Attachments 1-5 and Calculators needed for this application, are available at, https://www.maine.gov/dep/water/grants/SRF/cwsrf/index.html.

<sup>\*\*</sup> Dependent upon available funds.

- 1. Affordability Principal Forgiveness will be awarded to applicants' whose <u>project(s)</u> will have the most significant environmental benefit and the applicant would experience a significant hardship financing the project if additional subsidies were not provided. The DEP will use its long-standing Environmental Priority Point System to rank the environmental benefit of proposed projects and subsequently offer principal forgiveness, to the extent available, to applicants based on the CWSRF Affordability Criteria. The Affordability Criteria is based on poverty and unemployment rates, median household income (MHI), population trends, and sewer rate as a percentage of the MHI. See *Attachment I* for Environmental and Affordability ranking details.
- 2. Climate Adaptation Plans (CAP) The DEP intends to offer up to \$30,000 per applicant in principal forgiveness, to the extent available, for the development of a CAP. The award of principal forgiveness for applicants with an infrastructure (construction) project will be based on the applicant's CWSRF Environmental and Affordability ranking. Standalone CAPs will be based on the applicant's CWSRF Affordability ranking. See Attachment 1 and Attachment 3 for more details.
- **3. Fiscal Sustainability Plans (FSP)** The DEP intends to offer up to \$50,000 per applicant in principal forgiveness, to the extent available, for the development and implementation of an FSP or the improvement to an existing plan. An FSP is basically an asset management plan that takes into consideration water and energy conservation efforts. <u>Loan recipients</u> for all wastewater treatment works projects are required to develop and implement an FSP.

The award of principal forgiveness for applicants *with* an infrastructure (construction) project will be based on the project's CWSRF Environmental and Affordability ranking. Standalone FSPs will be based on the applicant's CWSRF Affordability ranking. This incentive offer requires a 100% match from the loan applicant. The applicant's match can be in the form of additional CWSRF borrowing (only with infrastructure projects), inkind services, or other funding. The intent of this offer is to not use additional CWSRF borrowing as the match to simplify the loan process at no cost to the borrower. However, if the applicant must borrow their match from the CWSRF, special arrangements may be made. See *Attachment 1* for Affordability ranking details and *Attachment 4* for FSP details.

**4. Stormwater and Non-Point Source Plans (SW/NPS)** – The DEP intends to offer up to \$50,000 per applicant in PF to help fund the cost of developing a SW/NPS Plan. Funding is available for standalone SW/NPS Plans that are not associated with a construction loan project. The PF funds for SW/NPS Plans require a 100% match, which can be in the form of in-kind services. Of the \$200,000 available, there is an initial allocation of \$50,000 for Stormwater Asset Management Plan and Stormwater Utility Development projects, and \$150,000 for the remaining NPS project types. If the total funds requested are less than the amounts allocated to either of the categories above, the remaining funding balance may be applied to the other eligible projects. See *Attachment 5* for eligibility requirements and ranking details. Questions pertaining to SW/NPS should be directed to Wendy Garland, at wendy.garland@maine.gov or call (207) 615-2451.

**Loan Commitment Date:** The Department's intention is to equitably distribute the limited loan and principal forgiveness to applicants who will utilize the funds in the near future. Therefore, applicants that receive offers from the DEP **must** enter into a loan with the MMBB on or before September 30, 2026.

All applications, attachments, calculators and CWSRF supplemental information can be found on our website located <a href="https://www.maine.gov/dep/water/grants/SRF/cwsrf/index.html">https://www.maine.gov/dep/water/grants/SRF/cwsrf/index.html</a>. If you have questions not answered by the information on the website, please email <a href="Maine.CWSRF.Grants@maine.gov">Maine.GwsRF.Grants@maine.gov</a> or call Brandy Piers at (207) 287-6093.

Note: In order to be eligible for loan and/or principal forgiveness, communities and districts must complete one of the three applications attached and email the Application to Maine.CWSRF.Grants@maine.gov by 5:00 pm on April 18<sup>th</sup>, 2025.