



**Environmental
Facilities Corporation**

**Water Infrastructure Funding Opportunities
through
The NYS Environmental Facilities Corporation**

**Genesee/Finger Lakes Regional Council
Fall Local Government Workshop**

November 16, 2016

EFC Overview

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



National Leader in Water Infrastructure Investment

- NYS leads the nation with the largest annual investment in water-quality infrastructure of any state
- Since 2011, EFC has provided more than \$9 billion in subsidized loans, grants and loan re-financings to local governments
- Largest 5-year investment in clean water infrastructure since creation of State Revolving Fund Programs



Clean Water State Revolving Fund Overview

- Low-cost financing for wastewater and water quality infrastructure
- Administered by EFC and DEC
- A variety of publicly-owned water quality improvement projects are eligible for financing including:
 - ✓ Point Source Projects
 - ✓ Nonpoint Source Projects
 - ✓ National Estuary Projects



Drinking Water State Revolving Fund Overview

- Provides low-cost financing and limited grants for public and private drinking water infrastructure
- Administered by EFC and DOH
- A variety of public and private water system projects are eligible for low-cost financing including:
 - ✓ Treatment Plants
 - ✓ Distribution Mains
 - ✓ Storage Facilities

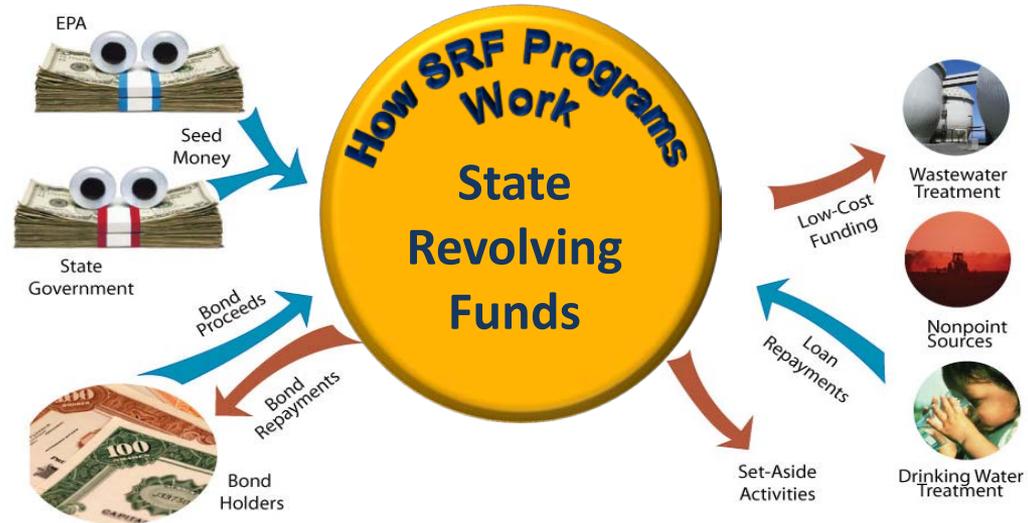


What Revolving Funds Do

- Create a sustainable method of infrastructure finance
- Aggregate relatively small capital needs of individual borrowers
- Pool the risk of a diverse group of borrowers
- Provide economies of scale regarding issuance costs and efforts
- Provide a pipeline of future bankable projects

Funding the SRF Loan Program

- Federal Government Grants are used to capitalize SRF programs, along with state matching funds
- SRF loans “revolve” – each year money is loaned to communities and as loans are repaid, they recycle back into the SRF program to fund additional water quality protection projects





EFC SRF Bond Ratings

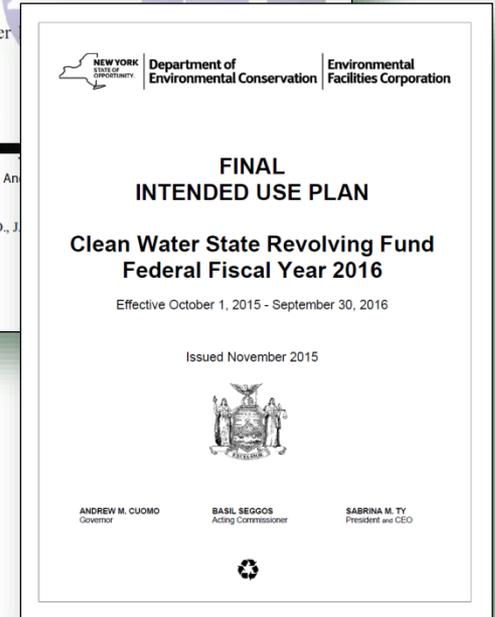
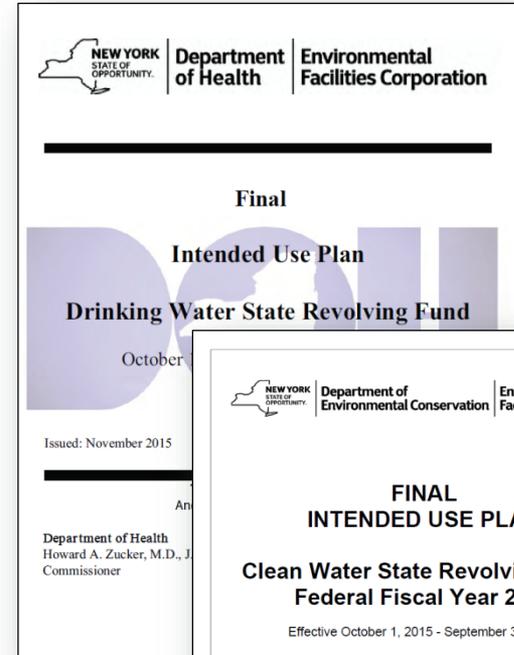
- Provided by each of the major rating agencies
 - ✓ Moody's – Aaa
 - ✓ Standard & Poor's – AAA
 - ✓ Fitch – AAA
- Ratings based on reserves, flow of funds arrangement, pledge of local government bonds and NYS SRF credit criteria and management

State Revolving Funds

Clean Water	Drinking Water
Leveraged rate financing with 50% subsidy for up to 30 years	Leveraged rate financing with 33% subsidy for up to 30 years
Hardship financing as low as 0% interest for up to 30 years	Grants up to \$2 million for hardship projects + financing as low as 0% interest for up to 30 years
Subsidy financing based on priority scoring system, impacts on water quality and public health	
Short-term financing for up to 5 years as low as 0% interest	
Short and Long-Term Market Rate Programs (AAA tax-exempt rate)	

SRF Intended Use Plans

- The CWSRF and DWSRF Annual Intended Use Plans describe the SRF program, identify available funds and the use of those funds each FFY (*effective Oct. 1 through Sep. 30*)
- EFC and DOH assign a project priority score based on water quality and public health impacts



Project Listing Requirements

- A municipality **must** first:
 - ✓ Complete a project listing form
(*PLUS for CWSRF plus.efc.ny.gov*)
 - ✓ Submit approvable engineering plan/technical report
 - ✓ Submit a smart growth assessment form



Listing Your Project on the Intended Use Plan (IUP)

- EFC and DOH will use information provided on listing form and engineering report to score, rank and list all projects
- Projects to be categorized by population size on the CWSRF or DWSRF Annual IUP or Multi-Year List
- Eligible project costs will be based on documented values from engineering reports, plans and specifications, and bid awards



Next Steps to Access Financing

- Once the project is on the Annual List, it can receive financial assistance in that FFY
- Financing Applications should be submitted as soon as possible to meet communities' needs for timely access to funds
- Financing Applications due March 1st

SRF Financing Application Elements

1. CWSRF/DWSRF Application Form
2. Completion of the State Environmental Quality Review (SEQR)
3. Signoff of project by NYS Office of Parks, Recreation and Historic Preservation (SHPO)
4. Water/Sewer District Formation (if necessary)
5. Adoption of a Bond Resolution

Additional Application Items

- Updated project budget and schedule (if applicable)
- MWBE information - an engineering agreement or construction contract
- Permits / Approvals
- Contracts / Agreements and related amendments
- Invoices supporting costs incurred to-date
- Existing debt information and/or third-party funding sources
- Inter-municipal agreements

Loan Development

- Application Review and Assistance
- Loan Sizing
- Contract Review
- Financing Contract Development





SRF Program Updates and Requirements

CWSRF Program Change - Engineering Report Outline

- Engineering Reports submitted after **October 01, 2016** must follow EFC's new engineering report outline (*EFC website*)
- Requires alternatives evaluation and must consider cost and effectiveness of recommended solution (*PE-certified*)
- Approvable engineering report must also assess:
 - ✓ Life cycle cost analysis
 - ✓ Green infrastructure
 - ✓ Energy efficiency
 - ✓ Smart growth
 - ✓ Storm resiliency
- Previously submitted reports may need amending to include all required components



Program Requirement - American Iron & Steel



- Permanently added to the CWSRF through WRRDA
- Treatment works projects only
- Guidance available on EFC's website

Program Requirement - Davis-Bacon



- Permanent requirement of CWSRF
- Applies to **entire project**, even if project is only partially funded by SRF
- Applies to construction contracts over \$2,000 and all subcontracts on prime contracts over \$2,000, regardless of the subcontract amount

Program Requirement - MWBE / EEO Program

- **Goals (20-30%) depend on type of financing, but apply to:**
 - ✓ Non-construction contracts/service agreements exceeding \$25,000
 - ✓ Construction contracts exceeding \$100,000
 - ✓ Any change order exceeding \$25,000

- **Requirements can be met through:**
 - ✓ Contract language; and
 - ✓ Any combination of MBE and/or WBE participation per contract; or
 - ✓ Adequate demonstration of good-faith efforts exerted to achieve the goal



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

SRF Highlights and Initiatives - SRF Bid Packet

- Updated annually each **October**
- Different versions are “tailored” to the project based on type of funding for project, whether the project is *construction* or *non-construction*, and whether the project is a *treatment works* or *non-treatment works* project
- Applicable version must be incorporated into all contracts and agreements that receive CWSRF, DWSRF, and/or Water Grant funds
- Includes
 - Required contract language, as applicable, for:
 - ✓ MWBE, DBE, and EEO requirements
 - ✓ American Iron and Steel requirements
 - ✓ Davis-Bacon Prevailing Wage information
 - ✓ Description of contractor/service provider’s and sub-contractor’s responsibilities
 - ✓ Requirements regarding suspension and debarment
 - ✓ Restrictions on Lobbying
 - Guidance materials to assist in meeting applicable requirements, including descriptions of contractors/ service providers’ and sub-contractors’ responsibilities
 - Required Forms

Important SRF Deadlines

State Revolving Fund IUP and Financing Schedule

March 1st Financing Applications Due

April 30th Project Listing and Update Information Due for CWSRF next FFY IUP

May 15th Project Listing and Update Information Due for DWSRF next FFY IUP

September 30th End of current FFY IUP Financing Period

October 1st Next FFY IUP Date





Key Program Initiatives

CWSRF Hardship Program - Eligibility Modifications (as of 2015)

- Communities with populations below 300,000 and with MHI below \$58,003 (2013 Statewide MHI) will no longer be required to submit applications for hardship
 - ✓ Up to \$20 million eligible for interest-free loans
- Communities with a MHI between 100% and 125% of the 2013 statewide MHI can apply for hardship evaluation

NYS Water Grants

- **\$400 million in grants** over three state fiscal years (*SFYs 2015/16, 2016/17, and 2017/18*) for drinking water and wastewater infrastructure upgrades approved in the enacted state budget
- Funds administered by EFC and DOH

2015	Round 1	\$50 Million	Awarded
2016	Round 2	\$175 Million	Awarded
2017	Round 3	\$175 Million	Available



NYS Water Grants - Round 2 Details

Clean Water Projects:

- Up to 25% of project costs for wastewater projects, not to exceed \$5 million

Drinking Water Projects:

- Up to 60% of project costs for drinking water projects, not to exceed \$3 million

What Projects are Eligible for Funding?

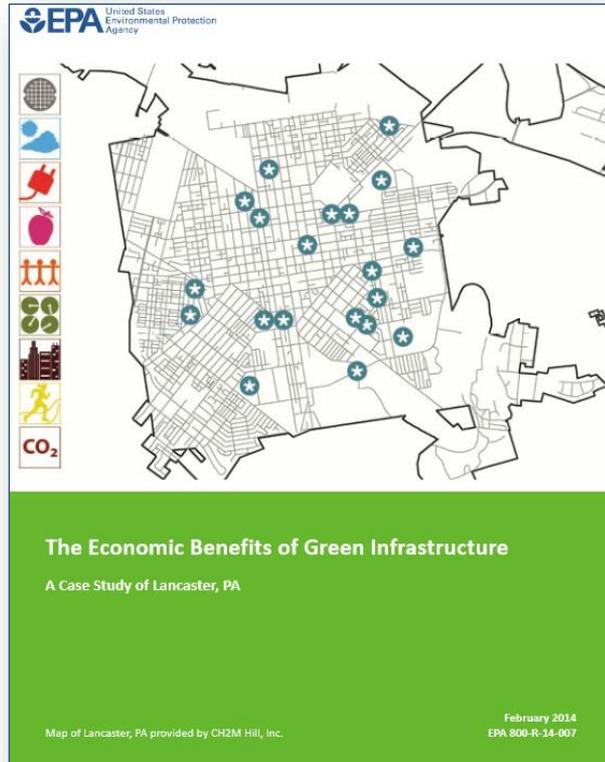
- Water quality infrastructure projects at municipally-owned facilities for:
 - ✓ Replacement or repair of drinking water or wastewater infrastructure
 - ✓ Compliance with federal or state environmental and public health laws/regulations





Integrated Solutions Construction (ISC) Grant

Why should I use Green & Gray Infrastructure?



In 2014, an EPA Case Study determined that the City of Lancaster, PA, through the combination of green and gray infrastructure:

- Reduced gray infrastructure capital costs by \$121.7 million
- Reduced annual wastewater pumping and treatment costs by \$661,000

Typical Wastewater Infrastructure Issues

- Failing sewer systems
- Combined sewer overflows (CSOs)
- Sanitary sewer overflows (SSOs)



MENU THE POST STAR News

EDITOR'S PICK FEATURED

When it rains, it overflows into the Hudson River

MAURY THOMPSON thompson@poststar.com Aug 6, 2016 2

Taking a Traditional Gray Project ... and Integrating Green



The ISC program was created to incentivize and support the addition of green infrastructure into traditional gray infrastructure projects.

How Can Combining Green Infrastructure with Gray Infrastructure Benefit My Community?

- Water management and flood alleviation
- Creating areas of natural beauty
- Health and well-being
- Improving land and property values
- Climate change adaptation and mitigation
- Recreation
- Biodiversity

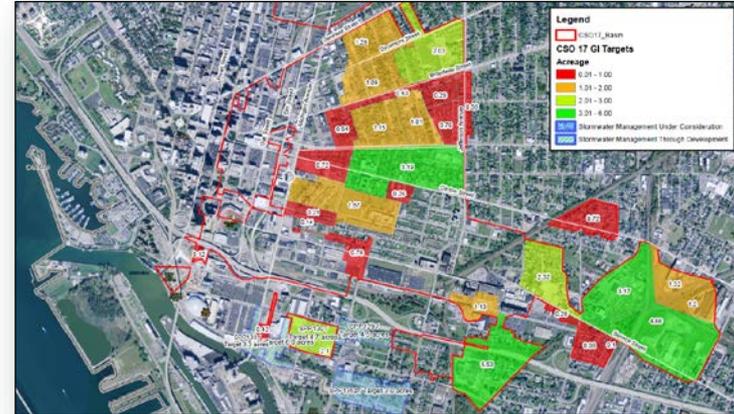
*Concept Image
Green Street Pilot Project
Buffalo, NY*



Integrating Green Infrastructure into Existing Gray Infrastructure Planning Efforts

- Green infrastructure
 - considered as early in project planning as possible, but no later than preliminary design
 - results in a comprehensive plan to address project needs

- EFC now requires green infrastructure to be evaluated as a stormwater solution for all CWSRF Projects
 - *“All projects involving stormwater, including inflow abatement, must evaluate a green, or green/gray combination, infrastructure alternative.”*



*Green Infrastructure Evaluation
City of Buffalo,*

Integrated Solutions Construction (ISC) Grant Program

- Up to \$8 million available in grant to cover 50% of the construction costs to incorporate green infrastructure practices into CWSRF-financed CSO / SSO / stormwater projects
- Green infrastructure practices must remove a minimum of 25% of the water quality volume from a combined, sanitary, or storm sewer system
- There is a \$5 million limit on EFC grants awarded to individual municipalities
- Applicants with a current or recently closed short-term financing with EFC are not eligible
- Grant-only projects are not eligible

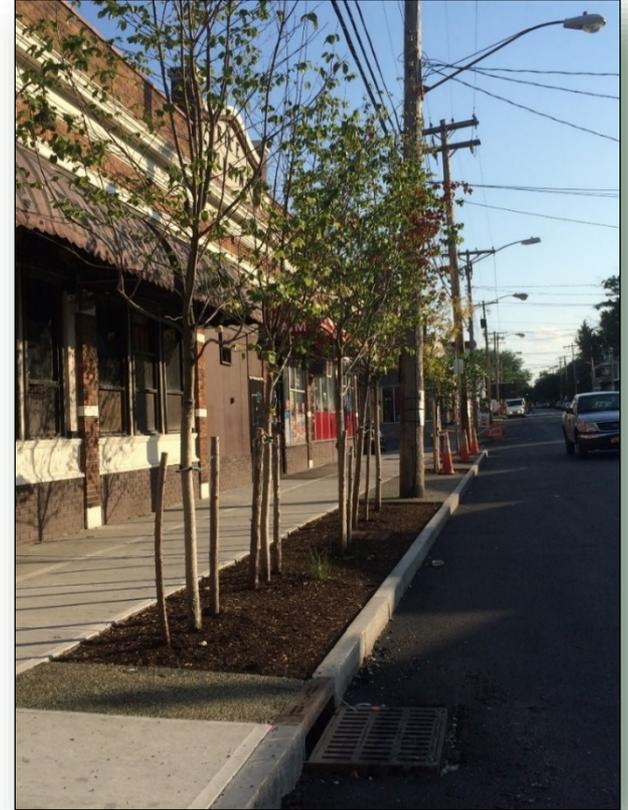
ISC Grant - Application Process

To be considered for an ISC grant, applicants must:

- Be currently listed on the Annual List of the 2017 IUP
- Submit an acceptable CWSRF application for financing by March 01, 2017 that indicates an interest in an ISC grant
- Submit an engineering report amendment that describes the green infrastructure features
- Additional information on EFC's website: <http://efc.ny.gov/IUP>

ISC Grant Projects

- EFC to give preference to projects that:
 - ✓ Result in the greatest water quality improvement & removal of stormwater from sewers through the use of integrated infrastructure
 - ✓ Are positioned to advance to construction



ISC Grant – Ineligible Activities

Projects costs which are NOT GRANT ELIGIBLE include:

- Equipment for maintenance of green infrastructure, such as vector trucks, street sweepers, sewer cleaners, etc.
- Land acquisition & landfill projects
- Wetland construction or restoration required as compensation (*mitigation*) for adverse impacts to wetlands or other environmental damage caused through construction activities
- Remediation of hazardous waste





Wastewater Engineering Planning Grant (WEPG)

Wastewater Engineering Planning Grants

- Through Governor Cuomo's Consolidated Funding Application (CFA), grants are made available each year to develop engineering reports to apply for funding and to list projects on the CWSRF IUP.
- Administered by DEC and EFC
- After 4 rounds, \$6.8 million has been allocated to 195 engineering and environmental review projects across New York.
- In 2016, an additional \$2 million was made available.





Green Innovation Grant Program (GIGP)

Green Innovation Grant Program



- Highly competitive, award-winning grant program
- Since 2011, EFC has awarded more than \$70.9 million, allocated to 89 green projects across New York

Applying for GIGP

Required Application Elements

- Feasibility Study
- Project Location Map
- Conceptual Site Plan
- Site Photographs

Apply through:

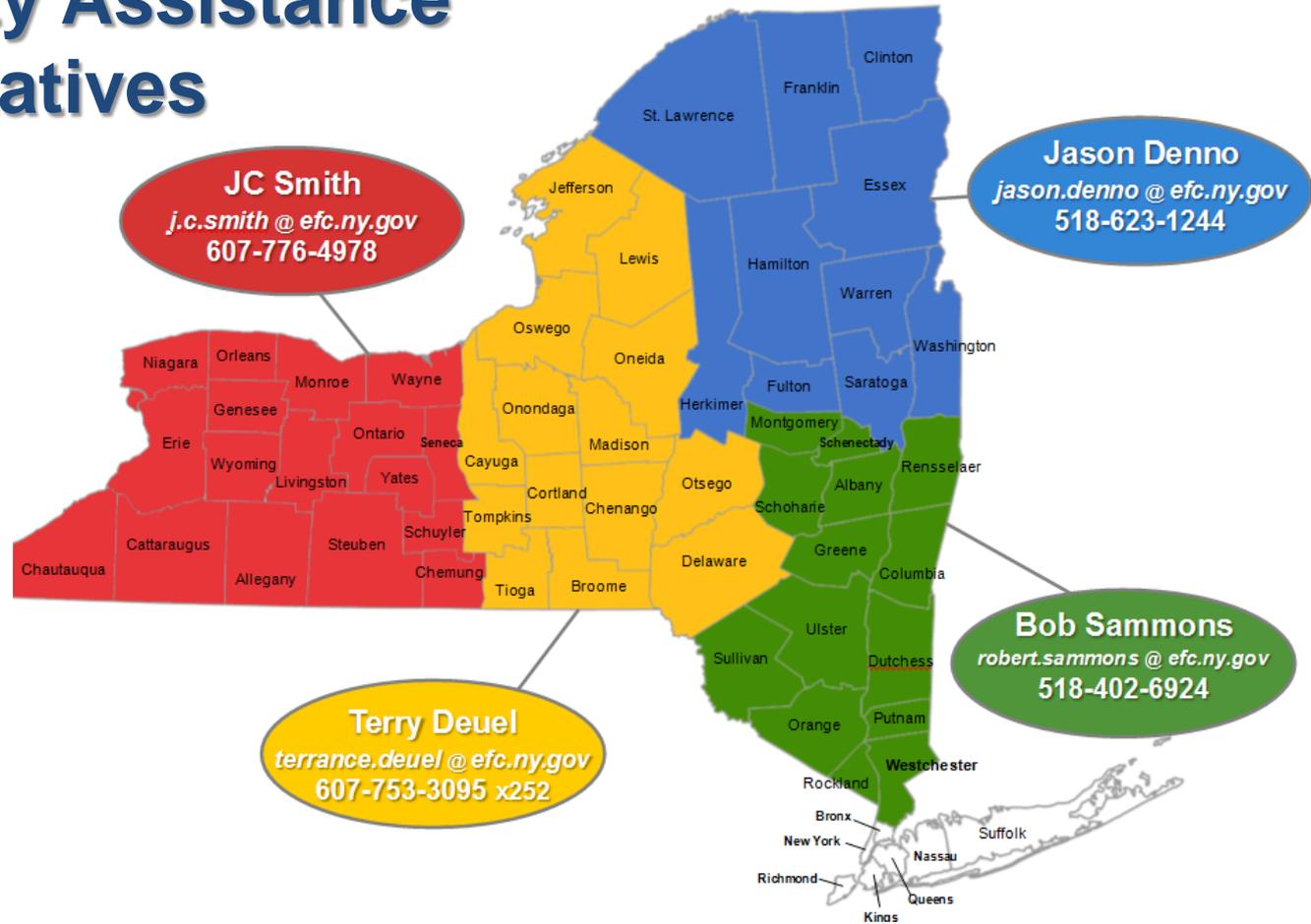
**Consolidated Funding Application
(CFA)**

Practices Eligible for GIGP Funding

- Bioretention
- Green Roofs and Green Walls
- Stormwater Street Trees/
Urban Forestry
- Construction or Restoration
of Wetlands, Floodplains, or
Riparian Buffers
- Stream Daylighting
- Stormwater Harvesting & Reuse
- Porous Pavements
- Downspout Disconnection



Community Assistance Representatives



Any Questions?





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