## Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) grant program in VA Drinking Water

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#### Agenda

- INFROMATIONAL Webinar
  - NO claims on the data/funding/availability as these may change as we are currently working on the policies & procedures;
- General overview of the EC-SDC Grant program
- Virginia tentative implementation process
- Additional available resources & timelines
- Questions and Answer session



#### **Background**

- President signed the Bipartisan Infrastructure Law (BIL) on November 15, 2021.
- BIL includes more than \$50 billion to the U.S. Environmental Protection Agency (EPA) to strengthen the nation's drinking water and wastewater systems.
- Total EC-SDC available funding: \$5 billion in fiscal years 2022-2026
  - Address PFAS and emerging contaminant challenges;
  - Target resources to communities most in need of assistance to ensure that no community is left behind with unsafe, inadequate water; and
  - Advance the priorities of equity and environmental justice, particularly by educating communities about this opportunity, and simplifying administrative procedures to reduce or eliminate barriers to access funds.



#### **EC-SDC Grant Programmatic Priorities**

The principal objective - is to enable water systems serving small or disadvantaged communities to effectively address emerging contaminants in drinking and/or source water, and to minimize potential public health risks from emerging contaminants in the future.

Secondary objective - is to enable water systems to achieve compliance with standards for regulated contaminants.





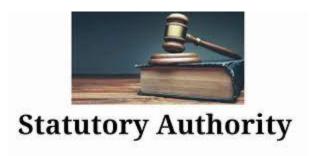
### **Statutory Authority**

Infrastructure Investment and Jobs Act of 2021 (IIJA) (P.L. 117-58) Division J (FY 2022 Appropriations), Title VI – State and Tribal Assistance Grants (6), appropriates funds for small or disadvantaged communities under Section 1459A of SDWA as follows:

"(6) \$5,000,000,000 for grants for addressing emerging contaminants under subsections (a) through (j) of section 1459A of the Safe Drinking Water Act (42 U.S.C. 300j–19a)."<sup>4</sup>

Water systems receiving assistance through EC-SDC grants funded by this BIL appropriation do not have to serve communities that meet the definition of "underserved community":

The cost sharing and match requirements in SDWA Section 1459A(g) also do not apply to these grant funds:





#### **EC-SDC** Webinar Topics

- Emerging Contaminants –Small
   Disadvantaged Communities (EC-SDC) grant
   program
  - Definitions
- Eligibility Criteria
  - Eligible activities/projects
  - Not eligible activities
- Application Process
- EC-SDC Requirements
- EC-SDC Resources
- FAQs





#### **Emerging Contaminants (ECs)**

If EPA has set a maximum contaminant level (MCL) under the National Primary Drinking Water Regulations (NPDWR) for a contaminant, it is not an emerging contaminant, and a project whose primary purpose is to address that contaminant is not eligible for funding, with the PFAS exception

Any contaminant listed in any of EPA's Contaminant Candidate Lists.

- Contaminant Candidate List-1 (1998)
- Contaminant Candidate List-2 (2005)
- Contaminant Candidate List-3 (2009)
- Contaminant Candidate List-4 (2016)
- Contaminant Candidate List-5 (2022)
- PFAS, DBPs, Perchlorate, Chromium
   (VI), 1,4-Dioxane, and Pharmaceuticals
   & Personal Care products
- States may request consideration of other contaminants that they find to be of concern in the state



### **Small Community**

- Population of less than 10,000 individuals
- Does not have the capacity to incur debt sufficient to finance a project or activity under the grant program.
- This could be a community within a larger Public Water System (PWS) where larger OWS may not be small. Other eligibility criteria need to meet
- Discuss with the ODW staff if you are not sure about this part

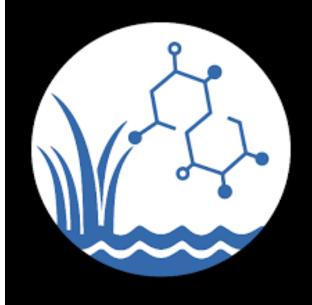




### **Disadvantaged Community**

- Determined by the state to be disadvantaged under the affordability criteria established by the state under section 1452(d)(3) of the Safe Drinking Water Act or may become a disadvantaged community as a result of carrying out a project or activity under the grant program.
- As with the Drinking Water State Revolving Fund program, each state has statutory discretion to set its own criteria. In Virginia It is less than 1% of Median Household Income (MHI)
- Climate and Economic Justice Screening Tool







### BIL Water & EC Funding

\$10 billion nation-wide to address emerging contaminants (ECs) over the next 5 years (2-22-26)

- Drinking Water State Revolving Fund Emerging Contaminants with focus on PFAS \$800 million per year, FY22-26
- Emerging Contaminants Grant Assistance for Small and Disadvantaged Communities \$1 billion per year, FY22-26
- Clean Water State Revolving Fund \$100 million for FY22 \$225 million per year, FY23-26

- Virginia likely to receive about \$10 12.5 million per year through 2026 for
  PFAS (and other emerging
  contaminants) via DWSRF EC
  program.\*
- Under EC-SDC Virginia current allocated amount is about \$27..2M (not yet received).\*



### **BIL Emerging Contaminants Funding**

#### Clean Water State Revolving Fund BIL Emerging Contaminants (CWSRF–EC)

Funding is allocated to states, who then will award the funds to eligible entities.

#### Eligible entities are dependent on the project type,

- may include: municipalities, intermunicipal, interstate, or state agencies; non- profit entities; private, for- profit entities; watershed groups; community groups; homeowner's associations; and individuals.

#### Drinking Water State Revolving Fund BIL Emerging Contaminants (DWSRF–EC)

Funding is allocated to states, who then will award the funds to eligible entities.

#### **Eligible entities:**

- Public or private community water systems
- Non-profit non-community water systems.

## Emerging Contaminants Small & Disadvantaged Communities (EC-SDC) Grant Program

States apply for funding. Using this funding, states administer grants, which are made available for eligible entities.

#### **Eligible entities:**

- Privately- and publicly-owned community water systems and non-profit non-community water systems that serve small and/or disadvantaged communities.
- Small1
- Disadvantaged



#### **Eligible Efforts**

- Efforts to address emerging contaminants in drinking water that would benefit a small or disadvantaged community on a per household basis;
- Technical assistance to evaluate emerging contaminant problems;
- Programs to provide household water-quality testing, including testing for unregulated contaminants;
- Local contractor training;
- Activities necessary and appropriate for a state to respond to an emerging contaminant.



### Eligible Uses and Activities

- Scoping and identification
- Testing or sampling for baseline assessment\*
- Research and testing
- Planning and design
- Treatment
- Source
- Storage
- Water system restructuring, consolidation, or creation
- Providing households access to drinking water services
- Technical assistance
- Public communication, engagement, and education





### Planning and assessment activities

Examples include, but are not limited to the following:

- Developing emerging contaminant action plans
- Preliminary engineering reports (PERs)
- Alternatives analyses
- Preliminary and final design
- Climate and cybersecurity risk assessment
- Energy efficiency analyses
- Source water protection plans and plan updates
- Environmental and archaeological review, including the costs to hire a cultural resources management firm if required based upon archaeological or historic issues discovered during the environmental review process
- Permit fees





#### Ineligible Activities/Uses of Grants

- Projects whose primary purpose is not to address emerging contaminants.
- Remediation of contaminated groundwater or underlying aquifers.
- Operations and maintenance costs (prohibited by statute).12
- Lead service line replacement.
- Replacement of premise plumbing.
- Construction or rehabilitation of dams.
- Activities needed primarily for fire protection.
- Activities needed primarily to serve future population growth.
- Activities that have received assistance from the tribal allotment for Indian Tribes and Alaska Native Villages.
- Costs that are unallowable (e.g., lobbying and alcoholic beverages) under 2 CFR 200 Subpart E Cost Principles.





#### **Application Process**



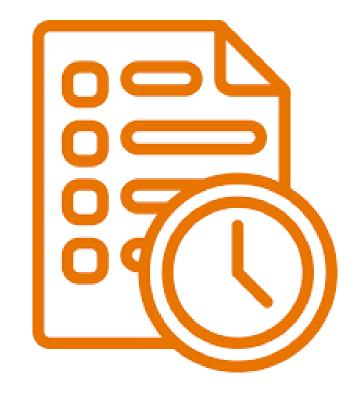








- 1. Plan your project
- 2. Reach out to VDH ODW EC-SDC contact and schedule a preliminary discussion/meeting
- 3. Develop a work Plan
- 4. Submit the Work Plan to ODW EC-SDC team
- 5. If funded, Carry on with the projects and perform follow-up activities
- 6. Submit quarterly Status Reports and participate. In status update calls





#### **Project Funding Process**

- No cap on the project amount
- No cost share or match required
- More then 50% focus on ECs
- Timeline: Desired in next 5-7 years
- A ranking metric/scoring system (under development)
- Additional guidance (Under development)





#### **EPA Recommended process**

June 30, 2023 - States are required to submit a draft workplan with a list of communities and projects eligible for funding to their respective EPA Region.

EPA Regions determine from the draft workplans that activities conform to all applicable requirements of the EC-SDC grant program.

The EPA Region will work with the state to ensure that the final workplan:

- includes projects that serve small or disadvantaged communities, as defined in SDWA Section 1459A(c);
- is designed to help achieve the goals and objectives of the grant program;
- includes costs that are eligible, reasonable, necessary, allowable, and consistent with the grant program; and
- clearly identifies the specific outcomes, outputs, and other results that are linked to funding and includes target dates and milestones for achieving them.

### Other Award Administration Requirements

- Build America Buy America (BABA) requirements
  - Waivers are available for select categories/services
- Justice 40 Initiative
- QA/QC requirements
- Reporting requirements Entities receiving assistance are required to provide semiannual and annual performance progress reports (and final project), including grant fund reporting elements and summaries of the project activity and status of outputs during the reporting period.
- All programs, projects, and activities for which a state provides assistance are subject to the following federal anti-discrimination laws: Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq.; section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794; and the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102



#### Work Plan – Due before June 30, 2023

#### Section 1. Project Summary and Overall Approach

- ACTIVITIES
- ROLES AND RESPONSIBILITIES
- TIMELINE AND MILESTONES

#### Section 2. Programmatic Priorities and Strategic Plan Goals

Clearly state how the activities described support the grant programmatic priorities and EPA Strategic Plan goals as described in <u>Section IX</u>. <u>Scope of Work</u>.

#### Section 3. Environmental Results – Outputs and Outcomes

Clearly describe and discuss the anticipated outputs and outcomes of the project/activities, as described in <a href="Section">Section</a>
<a href="IX. Scope of Work.">IX. Scope of Work.</a>

#### **Section 4. Budget Narrative**

Description of the budget, including estimated funding amounts for each component/task.



#### Tentative EC-SDC Timeline\* – Year 1

Initial Discussion with ODW

ASAP

**Develop Work** 

Plan

May-June 2023

**Submit Work Plan to ODW** 

June 30, 2023

EPA decision on VA projects

July - October 2023

Initiate Projects

December 2023

ODW team provide initial feedback/comment

Within 10 working days of initial meeting

ODW provide Tech Assistance 2023 - 2026 **ODW Select projects (Year 1)** June 30, 2023

ODW submit State package to EPA July 01, 2023 Receive Funding decision

November 30, 2023

\*Exact timeline may change depending on State and EPA decisions...



# Additional Resources

- 1. EC-SDC Implementation Document
- 2. EPA EC-SDC Fact Sheet
- 3. BABA Office of Water Implementation Webinar
- 4. VDH Office of Drinking Water





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