



**Department  
of Health**

**Environmental  
Facilities Corporation**

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## **Final Amendment No. 2**

**to the**

### **Drinking Water State Revolving Fund Federal Fiscal Year 2023 Intended Use Plan**

### **Bipartisan Infrastructure Law**

### **Emerging Contaminants Funding**

Issued: January 2023

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**The State of New York**  
Kathy Hochul, Governor

**Department of Health**  
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## **1.0 Introduction**

This document is Amendment No. 2 to the Drinking Water State Revolving Fund (DWSRF) Final Intended Use Plan (IUP) for Federal Fiscal Year (FFY) 2023, which was issued on October 1, 2022. This IUP amendment is required as a part of the state's application for the Bipartisan Infrastructure Law (BIL) Emerging Contaminants (EC) FFY 2022 federal capitalization grant for the DWSRF program. The BIL was signed into law on November 15, 2021 and made available a supplemental appropriation for the DWSRF program to fund public drinking water infrastructure projects that address emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances (PFAS). This DWSRF IUP amendment provides information relative to the state's intended use of the anticipated \$30,854,000 DWSRF FFY 2022 BIL-EC federal capitalization grant.

Additional information related to the DWSRF program is available at <https://www.health.ny.gov/environmental/water/drinking/water.htm>.

## **2.0 Background**

Notice of availability of the FFY 2022 BIL-EC funding was published in the New York State Register and Environmental Notice Bulletin (ENB) on April 27, 2022. These notices indicated the FFY 2022 BIL-EC available amount of \$30,854,000 and the project listing form acceptance deadline of August 31, 2022. A webinar was presented by the NYS Department of Health (DOH) and Environmental Facilities Corporation (EFC) on August 5, 2022, which provided further BIL-EC program information.

Notice of availability of Draft Amendment No. 2 to the FFY 2023 DWSRF IUP was published in the ENB on December 7, 2022, and Amendment No. 2 was made available for public review on December 7, 2022 on the DOH website. The public comment period ended on January 6, 2023.

## **3.0 DWSRF Program Goals for the BIL-EC Funding**

The DWSRF will be used to facilitate financings from the FFY 2022 BIL-EC capitalization grant for eligible public drinking water system infrastructure improvements. The BIL-EC program funds will be jointly administered by the DOH and EFC to finance otherwise DWSRF eligible projects whose primary purpose is to address emerging contaminants in drinking water, with a focus on projects that address PFAS. States have the flexibility to fund projects that address any contaminant in any of the Environmental Protection Agency's (EPA) Contaminant Candidate Lists (CCL). However, the EPA expects states to solicit and prioritize PFAS-focused projects.

Projects whose primary purpose is to address a contaminant for which EPA has promulgated a National Primary Drinking Water Regulation (NPDWR) are not eligible for funding under the BIL-EC appropriation. However, PFAS-focused projects will be eligible for funding under the BIL-EC appropriation regardless of whether EPA has established a NPDWR for that particular PFAS or group of PFAS.

The EPA requires states to provide 100% of the BIL-EC capitalization grant amount (net of set-asides taken) as additional subsidy in the form of grants or principal forgiveness. States must direct at least 25% of these funds to state-defined disadvantaged communities (DAC) or public water systems serving fewer than 25,000 people.

#### **4.0 BIL-EC Eligibility and Eligible Project List**

For a project to be eligible for funding under the BIL-EC appropriation:

- The project must be otherwise eligible for DWSRF funding, and
- The project's primary purpose must be to address emerging contaminants in drinking water. Projects that address any contaminant in any of EPA's CCLs are eligible, however, **projects that address PFAS will be prioritized.**
- A project listing form and an acceptable engineering report must have been submitted to DOH by August 31, 2022.

Additional subsidy from the BIL, including BIL-EC funding, may not be used to forgive debt that was incurred prior to November 15, 2021, the enactment date of the BIL.

BIL-EC eligible projects are indicated on the **BIL-EC Eligible Project List** (Attachment 1 of this amendment). Projects on this list will be awarded additional subsidy as outlined in Section 6 of this IUP amendment until the available funds have been exhausted. Projects appearing on the BIL-EC Eligible Project List are also considered added to the FFY 2023 DWSRF IUP Annual List via this IUP amendment, if not already listed.

#### **5.0 Sources and Uses of Funds**

The FFY 2022 BIL-EC federal capitalization grant amount for New York State is \$30,854,000. Funds provided under this capitalization grant are not subject to a state match requirement.

The state is required to provide 100% of the capitalization grant amount, net of set-asides taken, as additional subsidy in the form of grants or principal forgiveness (PF). States must direct at least 25% (\$7,713,500) of these funds to state-defined disadvantaged communities (DAC) or public water systems serving fewer than 25,000 people. The State intends to meet these requirements by providing grants/PF to eligible projects as outlined in Section 6 below.

The State is allowed to use of up to 31% (\$9,564,740) of the federal BIL-EC capitalization grant as "set-asides" for program administration, technical assistance, state public water supervision program management, and special activities. However, given the efficiencies of the New York State DWSRF program, the DOH and the EFC intend to use only 10% (\$3,085,400) of the capitalization grant for program administration, which will maximize the capitalization grant amount to be used for infrastructure project funding.

Table 1 below summarizes the proposed sources and uses of the FFY 2022 BIL-EC funds:

<b>Table 1 Sources and Uses - FFY 2022 BIL-Emerging Contaminants</b>	
<b><u>Sources</u></b>	<b><u>Amount</u></b>
FFY 2022 BIL Emerging Contaminants Capitalization Grant	\$30,854,000
<b>Total Sources</b>	<b>\$30,854,000</b>
<b><u>Uses</u></b>	<b><u>Amount</u></b>
State Program Management Set-Aside (10% of Federal Capitalization Grant)	\$3,085,400
Grant/PF Funds Required for Award to DAC or PWS < 25,000 population <sup>1</sup>	\$7,713,500
Grant/PF Funds Available for Award to Any BIL-EC Eligible Projects <sup>2</sup>	\$20,055,100
<b>Total Uses</b>	<b>\$30,854,000</b>
<sup>1</sup> Minimum required 25% of capitalization grant for DAC or PWS < 25,000 population <sup>2</sup> Capitalization grant (\$30,854,000) minus set-asides (\$3,085,400) minus 25% of cap grant (\$7,713,500)  <b>*Total BIL-EC funding capacity = (grant/PF to DAC or population &lt;25,000) + (grant/PF to any eligible projects) = \$27,768,600</b>	

## 6.0 Award of BIL-EC Funds

The state is required to provide 100% of the BIL-EC capitalization grant amount, net of set-asides taken, as additional subsidy in the form of grants or principal forgiveness (PF). States must direct at least 25% of these funds to state-defined disadvantaged communities (DAC) or public water systems serving fewer than 25,000 people. Section 7.3 of the FFY 2023 DWSRF IUP outlines the state’s DAC eligibility criteria. As presented in Table 1 above, \$27,768,600 will be available for BIL-EC grant/PF awards to eligible projects.

The BIL-EC Eligible Project List (Attachment 1) includes all projects determined by DOH to be eligible recipients of BIL-EC funding. Projects on this list have a primary purpose to address emerging contaminants and have submitted a project listing form and an acceptable engineering report by August 31, 2022. Projects on this list were evaluated and prioritized using the same priority ranking system as the base DWSRF program (see Attachment 1 of the FFY 2023 DWSRF IUP), which ranks projects in accordance with criteria associated with public health, compliance, and financial need.

Projects on the BIL-EC Eligible Project List will be awarded grant/PF as outlined below until the available funds have been exhausted:

**Priority 1 (PFAS Projects):** First priority will be given to projects that address PFAS. PFAS projects will be awarded in project score order before any Non-PFAS projects are considered for award.

**Priority 2 (Non-PFAS Projects)**: Second priority will be given to projects that do not address PFAS. Any funds remaining after PFAS projects have been awarded will be awarded to Non-PFAS projects in project score order until available funds have been exhausted.

Projects and municipalities are eligible for BIL-EC awards as described below:

- Projects that meet the state's DAC eligibility criteria, as outlined in section 7.3 of the FFY 2023 DWSRF IUP (with exception of the requirement to be on the Annual List above the Hardship Line or on the BIL-GS List), are eligible for a grant/PF award in the amount of 100% of the total net-eligible project cost after outside grants, but not to exceed \$5 million.
- Projects that do not meet the state's DAC eligibility criteria are eligible for a grant/PF award in the amount of 70% of the total net-eligible project cost after outside grants, but not to exceed \$5 million.
- A project may potentially receive only a partial grant award if the BIL-EC funds are exhausted before a full award can be provided to that project.
- Projects are limited to receiving no more than \$5 million of combined grant/PF from NYS Water Infrastructure Improvement Act (WIIA), DWSRF Base, BIL-General Supplemental (BIL-GS), and BIL-EC funding.
- Municipalities are limited to receiving no more than \$5 million of BIL-EC grant/PF in any FFY. Municipalities may be eligible for an additional grant/PF award in a subsequent FFY if a distinct, separate, eligible project is submitted in a subsequent year.

Projects on the BIL-EC Eligible Project List are indicated as DAC and/or PFAS projects as applicable for reference.

BIL-EC eligible projects will be eligible for DWSRF base program loan financing for any eligible project costs not covered by a BIL-EC grant/PF award. DWSRF base program loan financing will be offered at terms and interest rate as determined by the project's standing on the current DWSRF IUP Annual List.

## **7.0 DWSRF Program Requirements**

All DWSRF program requirements apply to projects that receive BIL funds, including BIL-EC funds. DWSRF program requirements are explained in detail in the FFY 2023 DWSRF IUP in sections indicated below:

- State Environmental Review Process (SERP) / National Environmental Protection Act (NEPA) Equivalency (Section 9.0)
- American Iron and Steel (Section 10.1)
- Build America, Buy America (BABA) (Section 10.2)
- Federal Prevailing Wage (Davis-Bacon) (Section 10.3)
- Minority/Women-owned Business Enterprises/Equal Employment Opportunity (Section 10.4)
- NYS Smart Growth Public Infrastructure Policy Act (Section 10.5)

Additionally, projects receiving a federal grant, i.e., any DWSRF/BIL grant, must comply with federal architectural and engineering (A/E) services procurement requirements in order for those A/E services to be eligible for reimbursement under any new DWSRF/BIL financing or grant.

BIL funds are entirely federal funds directly from the federal capitalization grant and therefore all federal equivalency requirements apply to projects that receive BIL funding.

## **8.0 Draft Amendment No. 2 Public Comments Summary**

A public notice on the availability of draft Amendment No. 2 to the FFY 2023 DWSRF IUP and request for comments was published in the NYSDEC Environmental Notice Bulletin (ENB) on December 7, 2022. The public comment period ended on January 6, 2023.

Summary of comments that were received and responses provided:

- An inquiry was made regarding the listing status of a project for the Village of South Glens Falls (DWSRF #18332). DOH responded that the project listing form was received but the project is not eligible for BIL-funding because it previously closed on a financing with EFC. The BIL prohibits funding to forgive debt that was incurred prior to November 15, 2021, the enactment date of the BIL.

Attachment 1  
BIL-EC Eligible Project List

**BIL - EC Eligible Project List**  
**NYS Drinking Water State Revolving Fund - Federal Fiscal Year 2023 Final IUP**

Project	County	System Name/ Borrower	Description	Pop.	Project Cost	Score	Cumulative Total
19489	Clinton	SCHUYLER FALLS (T) / Clinton County PFAS/DAC	Morrisonville WD Sands Road Extension to serve PFOA contaminated private wells., New Distribution System, New System Consolidation	4,843	\$5,500,000	125	\$5,500,000
18973	Suffolk	RIVERHEAD WD / Riverhead (T) PFAS/DAC	WD Extension - Forge Rd MHPs due to PFOA/PFOS and Mn contamination in private wells, Extend Distribution System, Extend Water District	28,000	\$1,185,000	110	\$6,685,000
18967	Nassau	TOWN OF HEMPSTEAD WD / Hempstead (T)	1,4-dioxane treatment for Well No. 13 at Levittown WD, Upgrade Water Treatment Plant	110,000	\$8,110,000	80	\$14,795,000
19078	Suffolk	GREENLAWN WD / Greenlawn WD	Well No. 11 - AOP treatment for 1,4-dioxane removal, Upgrade Water Treatment Plant	42,000	\$5,546,550	80	\$20,341,550
19007	Nassau	PLAINVIEW WD / Plainview WD PFAS	Plant No. 3 - AOP/GAC treatment for 1,4-dioxane and PFOA/PFOS removal, Upgrade Water Treatment Plant	35,000	\$4,196,941	80	\$24,538,491
19008	Nassau	PLAINVIEW WD / Plainview WD	Plant No. 4 - AOP/GAC treatment for 1,4-dioxane removal, Upgrade Water Treatment Plant	35,000	\$7,508,700	80	\$32,047,191
19066	Nassau	GARDEN CITY PARK WD / Garden City Park WD PFAS	Plant No. 8 - AOP/GAC treatment for 1,4-dioxane and PFOA/PFOS removal, Upgrade Water Treatment Plant	15,500	\$7,272,000	80	\$39,319,191
19110	Rensselaer	POESTENKILL WD #2 / Poestenkill (T) PFAS	Creation of Poestenkill WD #2 to provide water to an area with PFAS contamination, New Water District	700	\$5,711,000	70	\$45,030,191
19125	Ontario	RUSHVILLE VILLAGE / Rushville (V)	WTP Improvements to address harmful algal blooms and cyanotoxins, Upgrade Water Treatment Plant	621	\$1,371,239	70	\$46,401,430
19104	Suffolk	SUFFOLK COUNTY WATER AUTHORITY / SCWA PFAS/DAC	Connection of public water to residences in Calverton, Town of Brookhaven along South River road due to PFAS detection in private wells, Upgrade Distribution System	1,009,264	\$6,850,000	60	\$53,251,430
19171	Rockland	NYACK VILLAGE WATER SUPPLY / Nyack (V) PFAS/DAC	PFAS Treatment at Nyack Water Plant., New Other Expenses, New Other (OT)	14,700	\$4,749,320	60	\$58,000,750
19420	Dutchess	GREENFIELD WATER DISTRICT / DCWWA PFAS	Interconnection of Greenfields Water System to Hyde Park Regional Water System to address PFAS contamination, Upgrade Water Treatment Plant, New Pump Station, New Inter-Connection	1,050	\$13,617,622	55	\$71,618,372
19496	Putnam	STARR RIDGE MANOR / Southeast (T) PFAS	Installation of GAC treatment system to address PFAS contamination, Upgrade Water Treatment Plant	420	\$2,000,000	55	\$73,618,372
19495	Putnam	BIRCH HILL ACRES / Southeast (T) PFAS	Installation of GAC treatment system to address PFAS contamination, Upgrade Water Treatment Plant	60	\$1,200,000	55	\$74,818,372
19013	Nassau	GARDEN CITY (V) / Garden City (V) PFAS	Well No. 9 - AOP/GAC treatment for 1,4-dioxane and PFOA/PFOS removal, Upgrade Water Treatment Plant	25,000	\$7,200,000	50	\$82,018,372
18997	Nassau	HICKSVILLE WD / Hicksville Water District PFAS/DAC	Plant No. 6 - AOP/GAC treatment for 1,4-dioxane and PFOA/PFOS removal., Upgrade Water Treatment Plant	47,810	\$12,296,000	45	\$94,314,372
18971	Suffolk	RIVERHEAD WD / Riverhead (T) PFAS/DAC	WD Extensions - Calverton & Manorville (Ext #94) due to MTBE, PFOA, PFOS, and Fe/Mn contamination in private wells, Extend Distribution System, Extend Water District	28,000	\$12,877,000	45	\$107,191,372
19493	Warren	QUEENSBURY WATER DISTRICT / Queensbury (T)	Extension to Jenkinstown to serve private wells contaminated with 1,4-Dioxane., New Distribution System	425	\$4,859,633	45	\$112,051,005
19474	Nassau	JERICOHO WD / Jericho WD	New AOP Treatment at Well 3 to address 1,4-Dioxane contamination, Upgrade Water Treatment Plant	58,000	\$13,098,510	40	\$125,149,515

**LEGEND:**

PFAS = Project addresses PFAS  
 DAC = Disadvantaged community

**\*\* BIL-EC total available funding capacity will be awarded as outlined in  
 FFY 2023 IUP Amendment No. 2 until funds are exhausted\*\***



**BIL - EC Eligible Project List**  
**NYS Drinking Water State Revolving Fund - Federal Fiscal Year 2023 Final IUP**

Project	County	System Name/ Borrower	Description	Pop.	Project Cost	Score	Cumulative Total
19393	Nassau	JERICOHO WD / Jericho Water District PFAS	Relocate existing GAC vessels to Well 29 and install new GAC Vessels at Wells 18 and 19 to address PFAS contamination, Upgrade Water Treatment Plant	58,000	\$17,559,440	40	\$142,708,955
19010	Nassau	HICKSVILLE WD / Hicksville WD PFAS	Plant No. 11 - AOP/GAC treatment for 1,4-dioxane and PFOA/PFOS removal, Upgrade Water Treatment Plant	47,810	\$13,996,670	40	\$156,705,625
19014	Nassau	SOUTH FARMINGDALE WD / South Farmingdale WD	Plant No. 6 - AOP/GAC treatment for 1,4-dioxane & Iron/Manganese Removal Installation., Upgrade Water Treatment Plant	44,700	\$10,912,000	40	\$167,617,625
19231	Nassau	MANHASSET LAKEVILLE WD / Manhasset-Lakeville WD PFAS	Removal of PFAS contamination at Spruce Ponds Plant., Upgrade Water Treatment Plant	43,000	\$3,600,211	40	\$171,217,835
19000	Suffolk	GREENLAWN WD / Greenlawn WD	Well No. 8 - AOP treatment for 1,4-dioxane removal, Upgrade Water Treatment Plant	42,000	\$5,385,000	40	\$176,602,835
19001	Suffolk	DIX HILLS WD / Dix Hills WD	Plant No. 8 - AOP treatment for 1,4-dioxane removal, Upgrade Water Treatment Plant	34,522	\$5,017,750	40	\$181,620,585
19485	Nassau	PORT WASHINGTON WD / Port Washington WD PFAS	New GAC to remove PFAS contamination at Well 7, Upgrade Water Treatment Plant	34,000	\$8,187,470	40	\$189,808,055
19484	Nassau	PORT WASHINGTON WD / Port Washington WD PFAS	New GAC to remove PFAS contamination at Well 6, Upgrade Water Treatment Plant	34,000	\$8,187,470	40	\$197,995,525
19337	Nassau	PORT WASHINGTON WD / Port Washington WD PFAS	Installation of GAC treatment to remove PFAS at Hewlett Well No. 4, Upgrade Water Treatment Plant	34,000	\$6,873,190	40	\$204,868,715
19207	Nassau	MINEOLA (V) / Mineola (V) PFAS	Construction of AOP and GAC treatment system at Well 1 for 1,4-dioxane and PFAS removal, Upgrade Water Treatment Plant	20,600	\$15,927,000	40	\$220,795,715
19338	Nassau	ALBERTSON WD / Albertson WD PFAS	Installation of GAC to treat PFAS at Shepherd Lane Wells 1.2, and 5, Upgrade Water Treatment Plant	13,500	\$18,539,250	40	\$239,334,965
19392	Nassau	CARLE PLACE WD / Carle Place WD PFAS	Installation of GAC system for treatment of PFAS at Wells 3 & 4, Upgrade Water Treatment Plant	9,005	\$7,649,000	40	\$246,983,965
19371	Nassau	WILLISTON PARK (V) / Williston Park (V) PFAS	Wells No. 1A and No. 2 GAC PFAS treatment, New Water Treatment Plant	7,516	\$11,984,050	40	\$258,968,015
19369	Nassau	WILLISTON PARK (V) / Williston Park (V) PFAS	Well No.4 GAC PFAS treatment, New Water Treatment Plant	7,516	\$8,622,130	40	\$267,590,145
19233	Nassau	SANDS POINT (V) / Sands Point (V) PFAS	Removal of PFOA/PFOS at Wells 3 & 4., New Water Treatment Plant	2,800	\$10,542,000	40	\$278,132,145
19012	Nassau	SANDS POINT (V) / Sands Point (V) PFAS	Wells No. 2A and 5A - GAC treatment for PFOA/PFOS removal, Upgrade Water Treatment Plant	2,800	\$8,400,000	40	\$286,532,145
19494	Monroe	MCWA SHOREMONT WTP / Monroe County Water Auth. PFAS	Shoremont WTP - Replacement of GAC media to remove PFOA/PFOS, Upgrade Water Treatment Plant	310,000	\$3,050,000	25	\$289,582,145
19043	Orange	ARLUCK WATER DISTRICT / Wawayanda (T) PFAS	Interconnection between Arluck Water District and Denton Hills Water District to minimize PFAS contamination in supply, New Ground Water Source, New Inter-Connection	118	\$2,634,000	15	\$292,216,145

**Total # Projects**

37

**Total Cost**

\$292,216,145

**LEGEND:**

PFAS = Project addresses PFAS

DAC = Disadvantaged community