Clean Water State Revolving Fund (CWSRF) Emerging Contaminants (EC) Supplemental Appropriation

Water Industry Professionals and Utility Staff Webinar January 18, 2023 Q & A Session

This Q&A document consists of questions received during the CWSRF EC Webinar on January 18, 2023. The recording of the webinar is available at https://www.epa.gov/dwsrf/bipartisan-infrastructure-law-srf-memorandum.

If you have a specific question related to a project you are considering for CWSRF EC funds, please contact your <u>state CWSRF program</u> or you can contact EPA staff with your question by emailing <u>cwsrfEC@epa.gov</u>.

Several other documents contain useful information about the CWSRF EC supplemental appropriation. Answers to questions received during the Webinar include references to these documents and websites where appropriate:

- Bipartisan Infrastructure Law CWSRF EC Supplemental Appropriation FAQ: https://www.epa.gov/system/files/documents/2022-08/CWSRF%20EC%20FAQs FINAL.pdf
- Case Studies of CWSRF Eligible EC Projects: https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-emerging-contaminants
- Clean Water Technology Center: https://www.epa.gov/sustainable-water-infrastructure/clean-water-technology-center
- Frequent Questions about Bipartisan Infrastructure Law State Revolving Funds:
 https://www.epa.gov/dwsrf/frequent-questions-about-bipartisan-infrastructure-law-state-revolving-funds
- FY 2023 Procedures and Allotments for the Clean Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law: https://www.epa.gov/system/files/documents/2023-02/FY23%20CWSRF%20BIL%20Allotments%20Memo February%202023.pdf
- Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law: https://www.epa.gov/system/files/documents/2022-03/combined-srf-implementation-memo-final-03.2022.pdf
- Overview of CWSRF Eligibilities: https://www.epa.gov/sites/default/files/2016-07/documents/overview of cwsrf eligibilities may 2016.pdf
- State CWSRF Program Contacts: https://www.epa.gov/cwsrf/state-cwsrf-program-contacts

General

Q1: Who decides what is an emerging contaminant? Is there a current list?

A: CWSRF has a definition of emerging contaminants which is available in the <u>Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law and the Frequent Questions about Bipartisan Infrastructure Law State Revolving Funds.</u>

Q2: Are Harmful Algal Blooms (HABs) an emerging contaminant?

A: Yes. More information can be found within the <u>Bipartisan Infrastructure Law CWSRF EC</u> Supplemental Appropriation FAQ.

Q3: How are emerging contaminant projects able to proceed where states have not established limits or standards for the emerging contaminant?

A: Please see the <u>Bipartisan Infrastructure Law CWSRF EC Supplemental Appropriation FAQ</u> and <u>Case Studies of CWSRF Eligible EC Projects</u> for examples.

Q4: Will USEPA ever go back to the 75% grant program which existed in the 1970s and 80s?

A: During the 1970s and 1980s, the Construction Grants program was a major source of Federal funds, providing more than \$60 billion for the construction of public wastewater treatment projects. These projects, which constituted a significant contribution to the nation's water infrastructure, included sewage treatment plants, pumping stations, collection and intercept sewers, rehabilitation of sewage systems, and the control of combined sewer overflows. The 1987 Amendments to the CWA designated 1990 as the last year of funding for the Construction Grants Program and it later became the EPA's Clean Water State Revolving Fund (CWSRF) to support water and wastewater infrastructure through low interest loans.

Q5: Does anyone have successful efforts in engaging with or effectively reaching communities with environmental justice concerns specifically to direct funds to these communities?

A: The SRFs are managed by our state partner agencies. These agencies may have developed outreach for environmental justice communities. Please contact your <u>state CWSRF program</u> for additional information. EPA has emphasized the importance of outreach to communities that are disadvantaged or face environmental justice concerns. Please see the <u>Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure <u>Law</u> for additional information. In addition, EPA is exploring outreach options to reach environmental justice communities through TA funding made directly available to EPA from the Bipartisan Infrastructure Law. Information on this effort can be found at the <u>Water Technical Assistance</u> webpage.</u>

Q6: How do I apply for CWSRF funding?

A: Please contact your state CWSRF program.

Eligibility

Q7: Are non-capital projects eligible under the general CWSRF funds?

A: The CWSRF can fund capital projects as well as planning and design where there is a reasonable expectation that it will result in a capital project. This includes activities such as monitoring where it is integral to the planning and design of a capital project. Operations and maintenance (O&M) activities are not eligible for CWSRF assistance. More information can be found within the <u>Bipartisan Infrastructure Law CWSRF EC Supplemental Appropriation FAQ</u> and the <u>Overview of CWSRF Eligibilities</u>.

Q8: To be eligible, does a specific future capital project need to be identified? Could a few future capital projects be identified, and decided upon based on the upstream analysis results?

A: Yes, multiple capital projects may be identified as part of the alternative analysis process. More information can be found within the <u>Bipartisan Infrastructure Law CWSRF EC</u> Supplemental Appropriation FAQ.

Q9: Is development of P2 (pollution prevention) strategies, in lieu of capital projects, eligible for CWSRF funding?

A: CWSRF-eligible projects must meet the criteria set forth in section 603(c) of the Clean Water Act. The CWSRF can fund capital projects as well as planning and design where there is a reasonable expectation that it will result in a capital project. Please contact your <u>state CWSRF program</u> to discuss specific project details and determine eligibility.

Q10: Would these funds be able to cover costs for biosolids master plans and technology pilots for utilities facing PFAS issues? Also, would they apply to the design and construction of biosolids PFAS treatment facilities (e.g. pyrolysis, gasification, supercritical water oxidation, etc.)?

A: A project such as this at a public facility would likely be eligible for CWSRF EC funds. The installation of a particular technology at a wastewater treatment facility and a master plan identifying potential capital projects are eligible uses of the CWSRF EC funds.

Q11: Is industrial pretreatment eligible for CWSRF funds?

A: Industrial pretreatment, as defined as treatment prior to discharge to a Publicly Owned Treatment Works (POTW) is, in general, not eligible for CWSRF assistance. More information on CWSRF project eligibilities can be found in <u>Frequent Questions about Bipartisan Infrastructure Law State Revolving Funds</u> and the <u>Overview of CWSRF Eligibilities</u>.

Q12: Are upstream capital projects eligible? For example, monitoring or remediating landfill leachate.

A: Collection and treatment of landfill leachate containing emerging contaminants may be an eligible project. The Town of Conway (New Hampshire) Landfill Leachate Treatment Emerging Contaminants Project is an example of this kind of project and can be reviewed along with the other <u>Case Studies of CWSRF Eligible EC Projects</u>. More information on eligible entities can be found in the <u>Overview of CWSRF Eligibilities</u>. Please contact your <u>state CWSRF program</u> to discuss specific project details and determine eligibility.

Q13: Would a collection system study to identify the main sources of PFAS loading to a POTW (to inform future reduction/removal activities at said facility) be eligible for CWSRF EC funds?

A: Source identification (sewershed monitoring) to assess where a pollutant originates is not eligible for CWSRF EC funds. The types of monitoring that are eligible include:

- 1. Purchase of monitoring or laboratory analysis equipment.
- 2. Monitoring to characterize stormwater or wastewater (influent/solids/effluent) to inform an engineering report and the identification and selection of the appropriate treatment technology/project alternatives. Wastewater characterization may already be a current requirement in some states for wastewater treatment system

project planning. For example, the State of Washington Department of Ecology's Criteria for Sewage Works Design requires Engineering Reports to contain a statement of the present and expected future quantity and quality of wastewater, including any industrial wastes which may be present or expected in the sewer system.

- 3. Trunkline analysis to the influent of the POTW to assess where the majority of EC load is in order to place a treatment at that trunkline or divert the flow to a treatment system prior to it reaching the POTW influent.
- 4. Monitoring of wastewater influent/effluent/sludge to determine the fate of PFAS, antimicrobial resistant bacteria, or other emerging contaminants, to inform the identification and selection of the appropriate treatment technology.
- 5. Monitoring for the specific purpose of project development (planning, design, and construction) over a reasonable timeframe is eligible. Monitoring may lead to outcomes other than capital projects to address emerging contaminants.
- 6. Monitoring for certain project types during the project startup period to assess effectiveness after construction (except for construction of POTWs and decentralized wastewater treatment systems).

When monitoring is approved as part of project development, a timeline should be established to ensure monitoring occurs when contaminants are most likely to be present and the presence of an emerging contaminant is confirmed. Monitoring should be limited to one year where feasible to allow timely development of the project.

Q14: Are any entities eligible for CWSRF funds outside of governments and utilities (e.g. 501(c)(3)s)? Does this include funding for pilot projects?

A: Yes. Eligible assistance recipients are dependent on the project type. There are CWSRF project eligibilities for which entities other than municipal entities are eligible for funding. Both the assistance recipient and the project must be eligible in order to receive CWSRF funding. Additional information can be found in the Overview of CWSRF Eligibilities.

Q15: Can utilities apply for funding to do demonstration projects at indirect dischargers (metal finishers, landfills) where the utility owns the treatment equipment funded, while the industrial user does the O&M?

A: The CWSRF can provide assistance to a municipality, intermunicipal, interstate, or state agency for the construction of publicly owned treatment works. Contact your <u>state CWSRF program</u> to discuss project details and determine eligibility of specific projects. Refer to the <u>Overview of CWSRF Eligibilities</u>.

Q16: Is CWSRF EC funding available for construction of new landfill cells or stormwater management/leachate collection ponds at a landfill? Is CWSRF EC funding available for remediation of contaminated sites?

A: Yes, these all may be eligible for CWSRF assistance. More information can be found within the Bipartisan Infrastructure Law CWSRF EC Supplemental Appropriation FAQ and the Overview of

<u>CWSRF Eligibilities</u>. Contact your <u>state CWSRF program</u> to discuss project details and determine eligibility of specific projects.

Funding

Q17: What mechanisms are non-utility applicants using to provide a revenue stream in order to meet loan repayment requirements where user rates or fees are not available? For example, contaminated sites, Brownfields, Superfund sites, and sites of current or former aboveground or underground storage tanks.

A: Potential CWSRF borrowers must identify a dedicated repayment source, which need not come from the project itself, before a loan is approved. Finding a source of repayment may prove challenging for non-utility applicants. Some potential repayment sources include:

- Recreational fees (e.g., fishing licenses, entrance fees);
- Dedicated portions of local, county, or state taxes or fees;
- Stormwater utility fees;
- Fees paid by developers;
- Donations or dues made to nonprofit organizations;
- Individual or business revenues;
- Revenue from sustainable timber harvest or other forest products;
- Carbon and/or nutrient credits; and
- Downstream water users.

State CWSRF programs decide how repayment occurs when funding non-utility applicants and you should verify with your <u>state CWSRF program</u> staff the applicable lending terms for a non-utility funding agreement.

Q18: Has the individual state distribution of funding been determined?

A: Yes, the standard CWSRF allotment formula, established in the Clean Water Act, is used to determine the distribution of Bipartisan Infrastructure Law general supplemental and emerging contaminants funds to each state. Please see Attachment 1, Appendix A in EPA's March 2022 Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law for the FY22 state allocations. The fiscal year 2023 allotments are available at: FY 2023 Procedures and Allotments for the Clean Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law.

Q19: How is the type of fund (loan, subsidy, etc.) decided? Also, how is loan forgiveness determined?

A: Each state determines how subsidy is awarded. Please consult your <u>state CWSRF program</u> for more information. All CWSRF EC funding is awarded as 100% forgivable loan or grant.

Q20: Can you combine funding from CWSRF and DWSRF for different parts of a project? (i.e., DWSRF for removal of PFAS from water plant and CWSRF for its disposal.)

A: Yes, projects can be co-funded with the CWSRF and DWSRF, as long as the project components/activities are eligible for assistance from each respective program. More information can be found within the <u>Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law</u>.

Q21: If funding monitoring and it shows that there is a concern, but the capital project is not feasible (too costly/cannot be scaled big enough), what happens to the funding when it was thought it would result in a capital project but cannot at this time?

A: Monitoring that is integral to the planning and design of a capital project is eligible for CWSRF funding. The planning/monitoring may result in a "no action" alternative being selected. More information can be found within the <u>Bipartisan Infrastructure Law CWSRF EC Supplemental Appropriation FAQ</u>.

Q22: What additional/different funding requirements will eligible projects have? For instance, will projects be subject to AIS requirements, BABA requirements?

A: Please see the <u>Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law</u> and contact your <u>state CWSRF program</u> for information on requirements for specific projects.

Q23: In my home state, PFAS projects are being funded through DWSRF. Can you clarify?

A: It is likely your home state transferred the fiscal year (FY) 2022 CWSRF EC funds to the DWSRF to supplement their DWSRF emerging contaminants funds (each state's DWSRF program receives an annual allotment to address emerging contaminants in drinking water). Moving forward, your home state can elect to use future CWSRF EC funds on eligible clean water projects. Please contact your state CWSRF program if you have an eligible clean water EC project.

Q24: Do you have recommendations on how to get funded for an emerging contaminants construction project when the CWSRF ranking system does not prioritize these types of projects in your state?

A: State CWSRF programs are responsible for developing project priority setting systems and selecting the projects that receive funding. Please contact your state CWSRF program.

Monitoring

Q25: Can a state agency use funding from CWSRF emerging contaminants capitalization grant to purchase lab equipment to identify and monitor PFAS and/or emerging contaminants?

A: CWSRF EC funding can be awarded to a state's public health and environmental lab to purchase laboratory equipment for analyzing emerging contaminants in wastewater from publicly owned treatment works, stormwater, or nonpoint sources. The sampling and analysis, including operation and maintenance, are not eligible activities under CWSRF EC funds. Please contact your state CWSRF program.

Q26: Does the EPA have guidance on the recommended amount of PFAS data collected before submitting an application for the CWSRF EC funds?

A: For the identification of PFAS or other emerging contaminants, it is up to the States to determine the adequate length and frequency of data collected.

Q27: Can SRF funds be used for temporary staffing for monitoring?

A: No. More information can be found within the <u>Bipartisan Infrastructure Law CWSRF EC</u> Supplemental Appropriation FAQ.

Q28: Is testing to identify source of PFAS discharges into a system to do source control eligible for CWSRF funds?

A: Source identification to assess where a pollutant originates is not eligible for CWSRF funds. More information can be found within the <u>Bipartisan Infrastructure Law CWSRF EC Supplemental Appropriation FAQ</u>.

Stormwater

Q29: Urban stormwater typically contains many types of pollutants, including emerging contaminants. At the 2022 Water Week EPA event, it was mentioned that it is safe to assume that emerging contaminants are in almost all urban stormwater discharges and that a wide range of stormwater SCM (BMPs) projects, including infiltration, would be eligible for the CWSRF EC funding. Has EPA adopted this assumption, or will stormwater applicants have to provide monitoring data showing the presence of ECs in their discharges?

A: Stormwater projects are eligible, however there are two criteria that need to be met in order for them to be eligible for CWSRF EC funds:

- 1. The emerging contaminant(s) must be identified within the drainage area or the management area. The evaluation of the identification can be quantitative or qualitative assessments. The quantitative assessment is the traditional sampling and analysis from either the drainage area or the waterbody where discharge is collected. Qualitative assessments can include observation and identification of the emerging contaminant within the drainage area or management area. For example, identification of harmful algal blooms that produce cyanotoxins. This type of assessment can also be published information or data that identifies the emerging contaminant within that drainage area.
- A treatment technology or other stormwater control measure that will remove or shows
 promise to remove the identified emerging contaminant(s) must be selected to be eligible.
 Monitoring during the startup period to assess project effectiveness is eligible and EPA
 encourages treatment effectiveness be part of the project.

Q30: A city has data showing that previous local urban flooding events resulted in significant mobilization of emerging contaminants during and after these events. The city has planned a stormwater control project to reduce the occurrence and magnitude of such events in the future. Would this project be eligible for CWSRF EC funding?

A: Projects that manage, reduce, treat, or recapture stormwater are eligible for CWSRF assistance if they demonstrate a water quality benefit. The project must meet 603(c) eligibility and meet the additional EC eligibility criteria, as provided in the previous answer to be eligible for CWSRF EC funds. Please contact your state cwsrf-program if needed to verify what portions of the project are eligible for CWSRF EC funds.

Q31: Nutrients are a huge contributor to harmful algae blooms (HABs). They are not, though, emerging contaminants. What pollutants are considered relevant when EPA determines the eligibility of a stormwater project that addresses HABs and is seeking CWSRF EC funding?

A: CWSRF EC-eligible projects to address HABs include purchasing and installing equipment for the physical or chemical removal of HABs. HABs removal could include strategically placed aeration blowers to remove and control algal blooms, or flocculant-based methods to facilitate algae removal. Removal or control of nutrients are eligible activities under the base or general supplemental CWSRF funds under the Bipartisan Infrastructure Law.

Q32: Let's assume that a city has monitoring data showing some amounts and concentrations of PFAS, microplastics, and other emerging contaminants in its urban stormwater. The city has planned a project to build numerous new rain gardens to address and reduce their stormwater discharges through infiltration and plant uptake. Would this project be eligible for CWSRF EC funding?

A: Yes, a treatment technology or other stormwater control measure that will remove or shows promise to remove the identified emerging contaminant(s) is eligible. Monitoring during the startup period to assess project effectiveness is also eligible and EPA encourages treatment effectiveness be part of the project. Consult your state cwsrf program to discuss project eligibility.

Q33: Over the life of the CWSRF program, only a very small percentage of the funding has gone to fund stormwater projects. Is EPA planning a targeting outreach program to promote CWSRF funding applications from stormwater programs so that a more appropriate portion of the CWSRF EC funding goes to stormwater projects? If yes, how should stormwater professionals access that outreach program?

A: Stormwater projects are eligible for CWSRF EC funds and each state determines how the funding is prioritized and awarded for projects. EPA encourages states to fund stormwater projects and provides tools to states to better promote the use of CWSRF funds for stormwater projects, including the <u>Stormwater Smart Outreach Tools</u>. As states fund projects with CWSRF EC funds, EPA will continue to share factsheets, examples, best practices, and ideas for stormwater projects. The <u>Case Studies of CWSRF Eligible EC Projects</u> currently has an example stormwater project available for review: Central Oklahoma Master Conservancy District Lake Thunderbird Emerging Contaminants Assessment Project.

Technology

Q34: For projects using GAC or PAC for PFAS treatment, how will the spent AC be disposed of? Given PFAS resistance to destruction, is disposing of spent AC in a landfill essentially passing the PFAS problem to another facility or location?

A: Breaking the PFAS removal cycle just to send it to another location for PFAS destruction is an important piece of the discussion which requires additional research. There are some great new technologies being researched and the <u>Clean Water Technology Center</u> at Office of Water can provide more information.