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Drinking Water Funding Updates

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Drinking Water State Revolving Loan Fund



The DWSRF

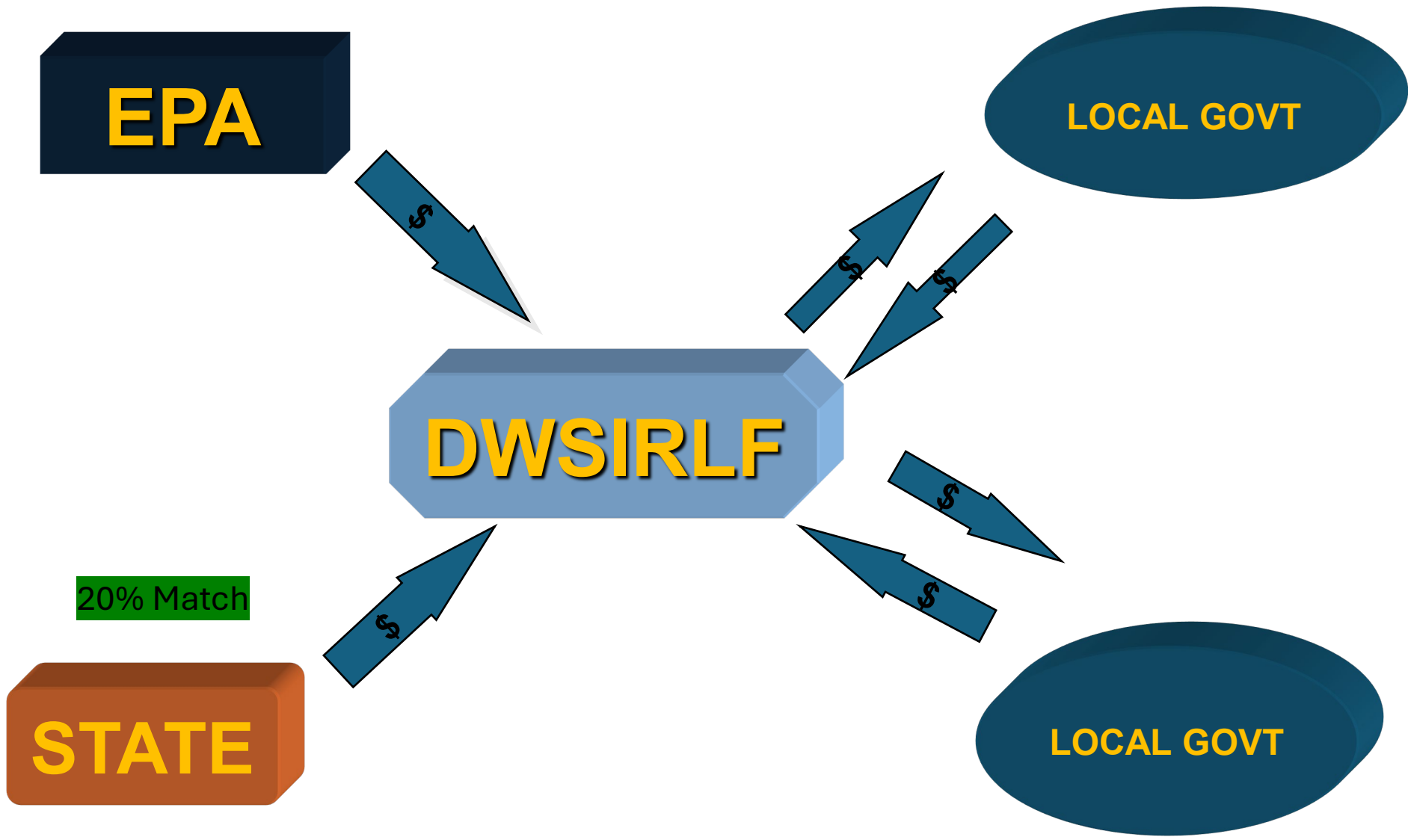
- Created from *The Safe Drinking Water Act (SDWA) Amendments of 1996*.
- *Section 41-3-16 of the Mississippi Code is the State Law*

Local Governments and Rural Water Systems Improvements Board Members

- *MS State Department of Health*
- *MS Department of Environmental Quality*
- *MS Association of Supervisors*
- *MS Department of Finance and Administration*
- *MS Development Authority*
- *MS Municipal League*
- *American Council of Engineering Companies*
- *Rural Utility Service / Rural Development*
- *A Rural Water System Manager (appointed by Governor)*

Entities eligible to receive DWSIRLF loans include:

- *Cities/Towns*
- *Water or Water/Sewer Districts*
- *Counties (Boards of Supervisors)*
- *State Agencies*
- *Rural Water Associations*



Our Mission

Project Types

- Water Wells
- Water Storage Tanks (Elevated, Pressure, Ground)
- Water Treatment Plants
- Water Distribution Lines and Pumps
- Existing Facility Rehabilitation (Tanks, Wells, Plants, etc.)
- Source Water Protection
- Emergency Power
- Sludge Handling
- Water Meters
- Etc ...

TO
**protect &
advance**
THE **health,
wellbeing,
AND safety
of everyone
in Mississippi.**

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

Ranking Projects

- Primary Drinking Water Standards Compliance
- Back-up Well or Emergency Tie-in
- Pressure Deficiencies
- Source Water Protection
- Service to Existing Unserved Areas
- Additional Supply Needs
- Rehab/Replacement of Existing Facilities
- Fluoride Addition
- Secondary Drinking Water Standards Compliance
- Consolidation
- Other

Eligible/Allowable Costs

- *Specifics are outlined in Appendix A of the DWSIRLF Regulations.*
- *Major Eligibility/Allowability Limitations*
 - *Project Primarily for Growth*
 - *Primarily for Fire Protection*

Loan Terms

- **NO Set Maximum Loan Amount (Board determines max amount to PWS)**
 - **Applications over \$5.0 Million require Board approval**
- **Interest Rate: Lower of 1.95% or At or Below the prevailing market rate at the time of loan award of the twenty-year (20) triple-A rated, tax-exempt insured revenue bond yield published by fmsbonds, Inc.**
(<https://www.fmsbonds.com/market-yields/>)
 - **4.25% (5/21/2025)**
 - **4.40% (Last Week)**
- **Up to 40-Year Repayment Period for disadvantaged communities and 30-Year Repayment Period for nondisadvantaged communities.**

DWSRF Facts and Benefits

- **Fund up to 100% of costs “One Stop”**
- **Funds can be used to match other sources such as *CDBG / FEMA / USDA RD / Other Grants***
- **Communities can avoid using GO bonds**
- **Interest rate below market rates**
- ***No Interest During Construction (Up to 1 Year of original construction period)***
- ***NO Administrative Fee***
- ***Repayment Begins After Construction***
- ***Cost of property is eligible cost***
- ***State Purchase Laws Apply (Not Federal Procurement Laws)***
- ***After loan award planning/design engineering costs can be paid out.***

Subsidy Funding (Principal Forgiveness) possible for Disadvantaged Communities

Formula for determining eligible principal forgiveness (PF) is based on the median household income of the loan recipient versus the median household income average of the state (\$54,915*)

- LR MHI > 100% NO PF
- 90% < LR MHI < 100% 15% PF
- 80% < LR MHI < 90% 25% PF
- 70% < LR MHI < 80% 35% PF
- LR MHI < 70% 45% PF

Maximum of \$500,000 to any one borrower a year

* Reported Mississippi MHI from US Census Bureau QuickFacts

Timetables for maintaining Priority Funding for 2025 funds (October 2024 – September 2025)

- By **May 1, 2025**: Submit complete Loan Application Forms and Documents
- By **August 1, 2025**: Submit all responses to comments needed for final approval of both facilities plan and loan application documents
- **By September 30 2025: Final award date for 2025 Loan Awards**

Timetables for Priority Funding for 2026 funds (October 2025 – September 2026)

- By **May 15, 2025**: Complete & Submit Request for Ranking Form for FY2026 Funding
- By **July 1, 2025** : Complete & Submit a Draft Facilities Plan to IGR Agencies
- By **August 15, 2025**: Advertise for a Public Hearing
- **By October 1, 2025 : Submit a Complete Draft Facilities Plan to the Department for review**
 - Deadline for project to be eligible on the Intended Use Plan's 2026 Priority List

Technical Assistance Set-asides

- A percentage of each year's EPA Cap Grant is set aside for Small Systems Technical Assistance
- Assistance is FREE – there is no cost to the water system
- Assistance is provided by contractors

Free Technical Assistance

- ✱ Intermediate Assistance
- ✱ Comprehensive Assistance
- ✱ PEER Review Program
- ✱ Hands-On Operator Training
- ✱ Well Abandonment Program
- ✱ Asset Management Training

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Infrastructure Investment and Jobs Act Funding



Infrastructure Investment and Jobs Act

- Authorizes Supplemental Federal Funding for fiscal years 2022 through 2026
 - \$1,902,000,000 for 2022 (MS Allotment - \$19.386M)
 - \$2,202,000,000 for 2023 (MS Allotment - \$26.368M)
 - \$2,403,000,000 for 2024 (MS Allotment - \$28.785M)
 - \$2,603,000,000 each for 2025 and 2026 (2025 MS Allotment - \$31.181m)
- State Match requirements
 - 10% for 2022 & 2023 (\$1.9386M & 2.6368M)
 - 20% for 2024 – 2026 (\$5.757M for 2024; \$6.2362M for 2025)
- 49% of the Federal Dollars required to be subsidized
- Additional subsidy must be provided in the form of assistance agreements with 100% principal forgiveness or grants
 - MS Eligible applicants are applicants that have MHI less than \$52,985.
 - MS BIL Subsidy Loans may be capped at \$5 Million.

Infrastructure Investment and Jobs Act

- Authorizes \$800,000,000 each year beginning 2022 through 2026 for addressing Emerging Contaminants (ie. PFAS, PFOA, etc...)
 - No State Match required
 - Mandates 100% Subsidy of funds
- Authorizes \$3,000,000,000 each year beginning 2022 through 2026 for addressing lead service lines
 - No State Match Required
 - Mandated Additional Subsidy of 49% of the funds.

Infrastructure Investment and Jobs Act – Lead Service Line Replacement funds

- 2022 IJIA Lead Service Line - \$30,518 Million
 - Maximum available Subsidization is \$14,953,820
 - Eligible projects are Assistance to hire a consultant to assist in completing service line inventories or construction projects to replace service lines that contain **KNOWN** lead.
 - Use set-asides to fund three categories of systems for inventories.
 - Small systems serving less than 750 connections. (\$610,360)
 - Medium systems serving greater than 750 but less than 5,000 connections.
 - Large system serving greater than 5,000.
 - Medium and Large systems (\$3,051,800)
- 2023 IJIA Lead Service Line - \$28,650 Million
- 2024 IJIA Lead Service Line - \$28,650 Million

Infrastructure Investment and Jobs Act – Emerging Contaminants Fund

- 2022 IJJA Emerging Contaminants - \$8.133 million
 - 100% subsidized
 - 2% Set aside to sample systems with a population of less than 300 for PFAS sampling.
 - **\$162,660**
 - 10% Set aside to sample water systems with populations greater than 300 but less 1,000
 - **\$813,300**
 - 5% Set aside to sample water systems with populations greater than 1,000 but less than 3,300
 - **\$406,650**
- 2023 IJJA Emerging Contaminants - \$9.568 million
- 2024 IJJA Emerging Contaminants - \$9.568 million
- 2025 IJJA Emerging Contaminants - \$9.568 million

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Drinking Water State Revolving Emergency Loan Funds



Drinking Water Systems Emergency Loan Fund

- *Loans for Emergency Drinking Water Projects*
- *Loans Recipients are same as for DWSIRLF*
- *100% financing (NO Maximum Amount)*
- *2% Interest Rate*
- *5-year Repayment Period*
- *Admin Fee – 5% Added to Loan Principal*

Other Updates

- *Staffing*
- *Resilience*
- *Cybersecurity*
- *ARPA Deadlines*

Thank You

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<https://msdh.ms.gov/dwsrf>

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