



Maryland
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the Environment



MWQFA Update on Funding Programs and Bipartisan Infrastructure Law Implementation

**University of Maryland Environmental Finance Center
May 12, 2022**

MWQFA Loan and Grant Programs – FY22

- Water Quality Revolving Loan Fund (CWSRF) - \$176,823,133
- Drinking Water Revolving Loan Fund (DWSRF) - \$57,848,539
- Bay Restoration Fund – Wastewater Program - \$75,000,000
- Bay Restoration Fund - Septic System Upgrade Program - \$15,000,000
- Supplemental Assistance Program - \$3,000,000
- Water Supply Grant Program - \$2,556,284
- Comprehensive Flood Management Grant Program - \$3,400,000
- Sewer Overflow Grant Program (OSG) - \$1,058,000
- Mining Remediation Program - \$500,000
- Hazardous Substance Cleanup Fund - \$750,000



Maryland
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Bipartisan Infrastructure Law (BIL)

- The “BIL” includes 3 relevant sections for the CW and DW SRF programs:
 - Funding - The bill appropriates \$43.426 billion for the Clean Water and Drinking Water State Revolving Funds (SRFs) over five years. (This is actual funding.)
 - Reauthorization & Policy - The bill includes The Drinking Water and Wastewater Infrastructure Act (S. 914) which reauthorizes funding levels for the SRFs and amends SRF provisions in the Clean Water Act and the Safe Drinking Water Act.
 - 2022: \$2.4B each
 - 2023: \$2.75B each
 - 2024: \$3B each
 - 2025 and 2026: \$3.25B each
 - Build America / Buy America - The bill expands domestic preference procurement provisions for programs across government, including the SRFs. The current American Iron and Steel requirements will be expanded to construction materials and manufactured products. OMB sets the rules for this provision of BIL.



Maryland
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the Environment

BIL (continued)

BIL provides three pots of funding for SRFs over the next five years. In the first year (FFY22) it provides Maryland with the following funding:

- Any Eligible Project:
 - \$43,401,000 for the Clean Water SRF for any eligible project
 - \$32,892,000 for the Drinking Water SRF for any eligible project
- Lead Remediation:
 - \$51,797,000 for the Drinking Water SRF for lead service line replacement, including planning, identification and design (includes inventories)
- Emerging Contaminants Remediation:
 - \$2,278,000 for remediation of emerging contaminants with a focus on PFAS/PFOA for the Clean Water SRF
 - \$13,813,000 for remediation of emerging contaminants with a focus on PFAS/PFOA for the Drinking Water SRF
- Funding is intended to be in addition to annual appropriations, and is available “until expended”
- 100% of the capitalization grant for emerging contaminants must be used for additional subsidy
- 49% of the annual capitalization grant for any eligible project and lead service line replacement must be used for additional subsidy.



Maryland
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the Environment

MD FFY22 \$ in the BIL

Clean Water Funding	Ad Sub	2022
CWSRF Supplemental	49%	43,401,000
CWSRF Emerging Contaminants	100%	2,278,000
Drinking Water Funding		
DWSRF	49%	32,892,000
DWSRF Emerging Contaminants	100%	13,813,000
DWSRF Lead Service Line Replacement	49%	51,797,000
Total		144,181,000



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BIL Status

- EPA is currently developing the guidance for the use of these funds and has held several state engagement meetings to discuss provisions of the BIL
- EPA Guidance has been issued, Q&A process for implementation ongoing
- EPA may use this as an opportunity to make progress on their top-level policy priorities, including Justice 40 and climate resiliency
- We are looking for as much flexibility as possible from EPA so that we can be flexible in meeting the needs of Maryland's local jurisdictions and recognize that SRF's are established programs with established policies and priorities
- MDE will likely be conducting solicitations for this additional funding in the coming months, particularly the LSL and PFAS/Emerging Contaminants funding where there is no existing pipeline of projects or applications for this type of work. All additional funding opportunities will include outreach and notification to ensure Maryland communities are aware of these funding opportunities and have the chance to apply for these funds.



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Maryland Conservation Finance Act of 2022

- Effective July 1, changes name of Maryland Water Quality Financing Administration to the Maryland Water Infrastructure Financing Administration
- Defines Blue Infrastructure: Oyster Reefs, Mussels, Aquatic Vegetation, Shorelines
- Defines Green Infrastructure: Stormwater Projects, Tree Plantings, Pocket Parks
- Defines source watersheds as capital assets and blue and green infrastructure as eligible for same forms of assistance as traditional water and sewer infrastructure
- Establishes Green and Blue Infrastructure Policy Advisory Commission and also Task Force on State and Local Government Accounting for Natural Capital
- Defines environmental outcomes for foundation of trading markets



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Questions?



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