

# Regulatory and Funding Update

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December 16, 2021

# Regulatory Update

- X Manganese—draft rules/informal stakeholder review any day now
  - 0.3 mg/L enforceable standard already is in place
  - 0.1 mg/L notification level is proposed
  
- X PFAS MCLs and Arsenic MCLs – fully implemented
  
- X On 11/15/21 USEPA issued new draft toxicity data for PFOA & PFOS
  - Significantly increases the toxicity profile of both compounds
  - Data is being reviewed by a scientific board & NHDES



# Regulatory Update

## X 2022 Proposed Legislation

- New PFAS MCLs
- Lead in drinking water at schools and childcare facilities
- Plumbing code
- Designating public works employees as emergency responders
- Allowing NHDES to use e-911 addresses to maintain a lead service line inventory

# Regulatory Update

## X Federal Lead and Copper Rule being released today – 12/16

- EPA is issuing a revised rule that is similar to the draft
- The draft was subject to a lot of comments/concerns
- EPA worked on revising the draft throughout 2021
- Revised rule does not address the comments
- EPA plans to revise the revised rule over the next two years (by law rule must be implemented by October 2024)
- NHDES will have to scramble to develop databases and rules to implement the new Federal rule by October 2024 (required by law)
- What is certain
  - Water systems need to complete an inventory of all service lines by October 2024
  - Water Systems need to develop a lead service line and spigot replacement plan by 2024



# PFP<sub>r</sub>A

- X A new PFAS compound is being broadly detected
- X Have to use special analytical methods to look for it
- X Research seems to indicate it is just about everywhere including the polar ice caps
- X Ultra short-chain compound with no toxicity profile
- X USEPA, NHDES, Merrimack Village District, Portsmouth, Laurene Allen and Andrea Amico are partnering to do a very limited research project.
- X Using two labs to verify the analysis is accurate—much more complicated than the PFASA we typically look for

# Town of Merrimack Cancer Study

## NH DHHS Releases Updated Cancer Analysis For Merrimack, Indicating A Need For Additional Investigation

*Data detected higher than expected numbers of kidney and renal cancers*

Issued by Division of Public Health Services

**Contact:**  
Public Information Office  
(603) 271-9389

**Publish Date:**

December 10, 2021



**Concord, NH** – The New Hampshire Department of Health and Human Services (DHHS) today released newly analyzed data on cancer rates in Merrimack, NH. The analysis of data from the New Hampshire State Cancer Registry found a higher than expected number of people with kidney and renal cancers in Merrimack between 2009 and 2018 than would typically be observed in a town of similar size in New Hampshire.

There is not sufficient information available at this time to draw any conclusions about the individuals who have kidney and renal cancer in Merrimack and any specific exposure. According to the American Cancer Society, an excess number of cases of a particular cancer that looks significant based on statistics does not necessarily mean that the cancers are caused by something unique to that area.

The analysis provides an update to the [DHHS Report on Cancer in Merrimack](#) that was published in

11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

# NH Drinking Water and Groundwater Trust Fund

- X Voting on a \$5M program to provide homeowners \$1500 rebates to install PFAS treatment systems for private wells where there is no immediate responsible party
- X Awarded Londonderry a \$500,000 grant to administer a private well treatment rebate program for PFAS
- X Seacoast (Dover/Portsmouth) interconnection re - presented to the Drinking Water and Groundwater Advisory Commission this week
- X Hopefully will vote to approve funding for the Seacoast private well sampling initiative. This could keep us very busy in 2022





American Rescue

Plan Act (ARPA)





150,000,000

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New Funding for Drinking Water, Wastewater, Stormwater & Resiliency



# ARPA FUNDING COMPONENTS

## Time Line

- x Mar. 3, 2021-Clock begins
- x Dec. 31, 2024-Funds Must be Obligated
- x Dec. 31, 2026-Funds must be spent

## Eligibility

- x Eligible Applicants and Projects under the Drinking Water and Clean Water State Revolving Loan Funds

## Good to Know

- x Grant Funds Only
- x Limited Federal Provisions for Projects under \$10M



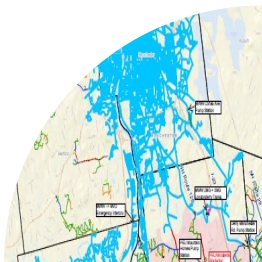


# ARPA Funding Categories

## PROJECT PLANNING

Improves project development & readiness

Assists communities applying to other funding programs



## INFRASTRUCTURE PROJECTS

Distribution of ARPA grant funds across the state

Incentivizes communities to move forward with their projects



Propels communities forward

Support existing programs (i.e., asset management, energy, cybersecurity)

## LONG-TERM SYSTEM SUSTAINABILITY



Comprehensive program to enhance quality and reliability of DW and WW infrastructure

## DISADVANTAGED COMMUNITIES



# ARPA \$ Distribution\*

\*All Funding Subject to Governor & Council Approval

Compared to  
annual DWSRF  
Cap Grant  
**\$11M**  
(+\$10M repayment)

## Overall Summary:

## DW Allocations:

Category	Allocation
DW/CW Infrastructure	\$75
Critical Flood Risk	\$6
Planning	\$7.5
Disadvantaged	\$26.5
Sustainability	\$10
PFAS	\$25
<b>Total Appropriation to Date</b>	<b>\$125</b>

Category	Allocation
DW Infrastructure	\$37.5
DW Planning	\$3.75
Disadvantaged	\$13.25
Sustainability	\$5
<b>Total Appropriation to Date</b>	<b>\$59.5M</b>



# DW Infrastructure

- Use DWSRF 2021 PPL (\$25M in DWSRF)
  - Anticipate some ARPA funding for 2022 DWSRF
- Tiered Approach w/\$2M Max per Project or Community
  - Based on affordability (water rate & MHI)

DWSRF Affordability	ARPA Grant
0.0 - 0.7	20%
0.8 - 1.4	30%
1.5 - 1.9	40%
2.0 - 5.0	50%

# Sample Drinking Water Infrastructure Project

## x Community A; 10% Affordability, 30% ARPA Grant

Total Project Request:	\$1,000,000
ARPA Grant:	<u>\$300,000</u>
Adjusted Project Cost*:	\$700,000
DWSRF PF:	<u>\$70,000</u>
Adjusted Project Cost:	\$630,000

\*Authority to Borrow based on this amount; as needed





## DWSRF PPL - Next Steps

Offers letters  
going out

Applicants  
obtain  
authority to  
accept funds

Applicants  
submit final  
application  
by June 1,  
2022

# Water System Sustainability Program

- **Asset Management Grant**
  - 100% Grant up to \$100,000

**New**

## **Strategic Planning Grant**

- 100% Grant up to \$50,000
- “Reasonable expectation” turn in to a **Construction Project**



# Water System Sustainability Program

- **Energy Audits**
  - 100% grant up to \$20,000
  - Existing Contract w/WW
- **Water Audits**
  - 100% grant up to \$20,000
- **Energy Audit Findings Implementation Grant**
  - Up to \$200,000 with 1:1 match

New

New



## WSSG - Next Steps

Grant  
Application  
sent out  
next week

Applications  
Due 1/7/22

Applications  
are reviewed  
and selected  
for funding



# Disadvantaged Assistance

- **Disadvantaged**
  - **NH Coops (resident owned communities only)**
  - **\$1M CW / \$1M DW / \$2M Max Combined**
  - **Program Development in Process**
  - **1st Round 2021 and 2020 SRF PPLs**
  - **Additional Solicitations Planned March 2022**





## Next Steps

Finalize  
workplan,  
process and  
forms

Send out  
offer letters

Applicants  
apply and  
complete  
required  
final  
paperwork

# Cybersecurity Implementation Grant



- Implement cybersecurity measures identified in a cybersecurity assessment
- Must include a cybersecurity response plan
- Maybe.....50% match; \$50,000 maximum
- WHEN: Early 2022




# PFAS ARPA GRANT AND LOAN FUNDS

- x \$50M in loan funding is available
- x \$25M in grant funds (\$1.5M or 30% of eligible project cost)
- x Solicitation is ongoing



# Funding opportunity Chart

<https://www.des.nh.gov/sites/g/files/ehbemt341/files/documents/2020-01/pws-funding-resources.pdf>

COMMON GRANT AND LOAN SOURCES FOR PUBLIC WATER SYSTEMS (PWS) IN NEW HAMPSHIRE					
Funding Program	Who's eligible	What can be funded	Terms	Application Timeframes	Contacts
 <p><b>New Hampshire Department of Environmental Services</b> <small>(<a href="https://www.des.nh.gov">https://www.des.nh.gov</a>)</small></p> <p><small>(Business and community loans and grants/ drinking water)</small></p>	<a href="#">Asset Management Grants</a>	Community water systems ≥200 population	Development or expansion of asset management activities (inventory, financial, implementation)	Grant up to \$100,000 – no match required, (100% grant)	Due January 7, 2022 Luis Adorno DWGB, (603) 271-2472 <a href="mailto:luis.adorno@des.nh.gov">luis.adorno@des.nh.gov</a>
	<a href="#">Cyanotoxin Monitoring Grants</a>	PWS that utilize a surface water source	Initial costs of approved equipment, supplies & training to perform cyanotoxin testing and/or monitoring	100% reimbursement of eligible costs, up to \$10,000. No match required	Anytime Liz Pelonzi DWGB, (603) 271-3906 <a href="mailto:Ann.Pelonzi@des.nh.gov">Ann.Pelonzi@des.nh.gov</a>
	<a href="#">Drinking Water State Revolving Fund (DWSRF) Loans</a>	Community (publicly & privately owned) and non-profit, non-transient water systems	Capital improvements for drinking water infrastructure (design and construction)	Below-market interest rates; No closing costs; Up to 30 years for disadvantaged applicants	Spring Johnna McKenna DWGB, (603) 271-7017 <a href="mailto:Johnna.Mckenna@des.nh.gov">Johnna.Mckenna@des.nh.gov</a>
	<a href="#">Energy Audit Grants</a>	Community water systems ≥50 connections	Comprehensive Process Energy audit of drinking water facilities	Grant up to \$20,000 – no match required, (100% grant)	Due January 7, 2022 Luis Adorno DWGB, (603) 271-2472 <a href="mailto:luis.adorno@des.nh.gov">luis.adorno@des.nh.gov</a>
	<a href="#">Energy Audit Implementation Grant</a>	Community water systems ≥50 connections	Implementation of projects recommended in previous energy audits to reduce kWh's	Grant up to \$200,000 – 100% (1:1) match required	Due January 7, 2022 Luis Adorno DWGB, (603) 271-2472 <a href="mailto:luis.adorno@des.nh.gov">luis.adorno@des.nh.gov</a>
	<a href="#">Leak Detection Survey Grants</a>	Community water systems	Acoustic leak detection surveys by a professional retained by NHDES	In-kind volunteer services required. No maximum, no match	Early Summer Stacey Herbold DWGB, (603) 271-6685 <a href="mailto:Stacey.Herbold@des.nh.gov">Stacey.Herbold@des.nh.gov</a>
	<a href="#">Local Source Water Protection Grants</a>	PWS, municipalities, conservation districts, non-profits & regional planning commissions	Source security & other source water protection projects	Grant up to \$20,000 – no match required, (100% grant)	Fall/Winter Bess Morrison DWGB, (603) 271-2950 <a href="mailto:Bess.morrison@des.nh.gov">Bess.morrison@des.nh.gov</a>
	<a href="#">MTBE Remediation Fund</a>	Public & private water systems impacted by MTBE contamination	Design & installation of drinking water infrastructure in areas with MTBE contamination	100% reimbursement for eligible costs	Anytime Michael Juranty MTBE Remediation Bureau (603) 271-8873 <a href="mailto:michael.juranty@des.nh.gov">michael.juranty@des.nh.gov</a>
	<a href="#">Petroleum Reimbursement Fund</a>	Public & private water systems impacted by petroleum contamination	Design & installation of drinking water infrastructure in areas w/ petroleum contamination from unknown source	100% reimbursement of eligible costs	Anytime Jennifer Marts Petroleum Reimbursement Fund Program, (603) 271-2570 <a href="mailto:jennifer.marts@des.nh.gov">jennifer.marts@des.nh.gov</a>
	<a href="#">PFAS Remediation Loan Fund</a>	Community (publicly & privately owned) and non-profit, non-transient water systems	Drinking water infrastructure projects to address per-and polyfluoroalkyl (PFAS) maximum contaminant level (MCL) violations	Low interest loan rates; Up to 30 year term and subsidy for disadvantaged applicants	Anytime Amy Rousseau PFAS Response Administrator (603) 848-1372 <a href="mailto:Amy.Rousseau@des.nh.gov">Amy.Rousseau@des.nh.gov</a>

# **Infrastructure Investment and Jobs Act (H.R. 3684 )**





## Infrastructure Investment and Jobs Act (H.R. 3684)

- A comprehensive bipartisan infrastructure bill.
- \$43.426B in funding for SRFs over five years
  - CWSRF & DWSRF any eligible project - \$23.426B
  - CWSRF & DWSRF emerging contaminants - \$5B
  - DWSRF Lead - \$15B

**\$307M in additional funding for NH from 2022-2026  
for Drinking Water**



## Infrastructure Investment and Jobs Act (H.R. 3684)

### Actual Appropriations Clean Water & Drinking Water SRFs (each):

- 2021: CW \$1.638B & DW \$1.126B
  - 2022: \$1.9B
  - 2023: \$2.2B
  - 2024: \$2.4B
  - 2025 and 2026: \$2.6B



# What this Means for NH Drinking Water

- **NEW** - PFAS Small Disadvantaged Water System Grant – 100% grant - \$10M/year for each Federal FY 22, 23, 24, 25 & 26
- **NEW** - Emerging Contaminant SRF – 100% grant - \$8M/year for each Federal FY 22, 23, 24, 25 & 26 - these funds may be used for manganese and hopefully arsenic
- **NEW** - Supplemental SRF with 49% loan forgiveness/grant (\$19M-\$26M per year – increases each year from FY22-FY26). These funds can be used for typical SRF projects
- Traditional SRF with 20% forgiveness – at least approx 20M/year **but substantial increases are rumored**

**PROPOSED INFRASTRUCTURE LEGISLATION - NEW SRF \$ IN ADDITION TO REGULAR SRF**

<b>Year</b>	<b>Infrastructure Drinking Water SRF - National Budget</b>	<b>NH 1%</b>	<b>State Match %</b>	<b>Additional State Match</b>	<b>Mandated Additional Subsidy</b>
2022	\$1,902,000,000	\$19,020,000	10%	\$1,902,000	49%
2023	\$2,202,000,000	\$22,020,000	10%	\$2,202,000	49%
2024	\$2,403,000,000	\$24,030,000	20%	\$4,806,000	49%
2025	\$2,603,000,000	\$26,030,000	20%	\$5,206,000	49%
2026	\$2,603,000,000	\$26,030,000	20%	\$5,206,000	49%
<b>Total</b>	<b>\$11,713,000,000</b>	<b>\$117,130,000</b>		<b>\$19,322,000</b>	

**PROPOSED INFRASTRUCTURE LEGISLATION - NEW SRF \$ IN ADDITION TO REGULAR SRF**

<b>Year</b>	<b>Drinking Water SRF Emerging Contaminants</b>	<b>NH 1%</b>	<b>State Match</b>	<b>State Match \$</b>	<b>Mandated Additional Subsidy</b>
2022	800,000,000	\$8,000,000	0%	0	100%
2023	800,000,000	\$8,000,000	0%	0	100%
2024	800,000,000	\$8,000,000	0%	0	100%
2025	800,000,000	\$8,000,000	0%	0	100%
2026	800,000,000	\$8,000,000	0%	0	100%
<b>Total</b>	<b>\$4,000,000,000</b>	<b>\$40,000,000</b>			



<b>PROPOSED INFRASTRUCTURE LEGISLATION - NEW SRF \$ IN ADDITION TO REGULAR SRF</b>					
<b>Year</b>	<b>Drinking Water SRF Lead</b>	<b>NH 1%</b>	<b>State Match</b>	<b>State Match \$</b>	<b>Mandated Additional Subsidy</b>
2022	3,000,000,000	\$30,000,000	0%	0	49%
2023	3,000,000,000	\$30,000,000	0%	0	49%
2024	3,000,000,000	\$30,000,000	0%	0	49%
2025	3,000,000,000	\$30,000,000	0%	0	49%
2026	3,000,000,000	\$30,000,000	0%	0	49%
<b>Total</b>	<b>\$15,000,000,000</b>	<b>\$150,000,000</b>			

<b>PROPOSED INFRASTRUCTURE LEGISLATION - NEW SRF \$ IN ADDITION TO REGULAR SRF</b>					
<b>Year</b>	<b>Drinking Water SRF Lead</b>	<b>NH 1%</b>	<b>State Match</b>	<b>State Match \$</b>	<b>Mandated Additional Subsidy</b>
2022	3,000,000,000	\$30,000,000	0%	0	49%
2023	3,000,000,000	\$30,000,000	0%	0	49%
2024	3,000,000,000	\$30,000,000	0%	0	49%
2025	3,000,000,000	\$30,000,000	0%	0	49%
2026	3,000,000,000	\$30,000,000	0%	0	49%
<b>Total</b>	<b>\$15,000,000,000</b>	<b>\$150,000,000</b>			



## Infrastructure Investment and Jobs Act (H.R. 3684)

### Key points for this supplemental appropriation:

- Funding is intended to be in addition to annual appropriations.
- Funding is available “until expended.”
- 10% State match for 2022-2023 and 20% for 2024-2026 for appropriations for any eligible project.
- A flat 49% of the annual capitalization grant for any eligible project must be used for additional subsidy.



## Other New Funding for Water Systems

- State of NH PFAS Loan and Grant Program
  - \$50M loan with loan forgiveness –automatic 10% with a potential for 50%
  - \$25M grant (funded with ARPA)

# Underlying Challenges for Water Sector and NHDES

- Supply chain shortages
- Lack of qualified workers (NHDES, consultants, water systems, trades, construction) at a time our financing is increasing by 500%
- Broad PFAS, arsenic and manganese contamination in NH
- Inflation upsetting project planning and local approvals
- Uncertainty about USEPA's decision on PFOA/PFOS MCL (draft MCL due this time next year) – yet funding is available now