

A Strategic Plan
for
Optimizing
New Jersey's State Revolving Fund
Application Process
for
Bipartisan Infrastructure Law Fund Disbursement
SFY 2023 – SFY 2027



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Executive Summary

Clean, safe, and abundant water is vital to New Jersey's health and economy. While significant planning and investment are required to sustain and improve New Jersey's aging infrastructure systems, the cost often exceeds the capabilities of local water utilities.¹

The New Jersey Department of Environmental Protection's (NJDEP) State Revolving Fund (NJSRF) Loan program will receive almost \$1 billion from the Bipartisan Infrastructure Law (BIL) over the next five State fiscal years to address New Jersey's aging, inadequate water, and wastewater infrastructure crisis.²

The NJSRF Program acts like an environmental infrastructure bank by providing below-market rate loans to eligible recipients for water infrastructure projects. As money is paid back into the state's revolving loan fund, the NJSRF program makes new loans to other recipients for high priority, water quality activities. Repayments of loan principal and interest earnings are recycled back into the program to finance new projects that allow the funds to "revolve" at the state level over time.³

A six-month stakeholder meeting process identified, measured, and analyzed the NJSRF program's application process workflow as part of a proactive, collaborative strategy to optimize current resources for BIL fund administration. This approach allowed time to fully explore critical input options and develop recommendations based upon existing staffing and resources in advance of projected BIL fund demand that will double the existing workload (~700 projects).

In mission alignment with the BIL, NJDEP Guiding Principles and the NJSRF's vision and mission, this strategic plan is intended to build upon the NJSRF program's existing strengths and identify opportunities to advance clean water through the streamlining of the program's environmental planning report requirements as part of application process, improve efficiency of government, and strengthen interagency collaboration to maintain, improve, and protect water quality throughout the State. Further, this optimization plan identifies the potential to leverage the streamlining process for all NJSRF financing initiatives.

Building upon existing project sponsor relationships with focus on repeat NJSRF customers with input from other State SRF program coordinators and the use of existing water and wastewater treatment facility plans, this strategic plan aims to advance the status quo, reduce government

NJDEP PRINCIPLES

- Follow the law.
- Use the best available science.
- Listen to all sides.
- Find the best balance.
- Be transparent and honest with the public.

NJSRF VISION

Healthy Communities through Clean,
Safe and Plentiful Water

NJSRF MISSION

Assist communities to fund and
construct sustainable infrastructure
that protects water quality and public
health.

¹ American Society of Civil Engineers. "2021 Report Card for America's Infrastructure" (2021), <https://infrastructurereportcard.org/state-item/new-jersey/>

² "President Biden's Bipartisan Infrastructure Law." n.d. The White House. <https://www.whitehouse.gov/bipartisan-infrastructure-law/>.

³ "NJDEP-DWQ-Municipal Finance and Construction Element." n.d. Wwww.nj.gov. <https://www.nj.gov/dep/dwq/mface.htm>.

waste, expedite New Jersey’s water and wastewater capital improvements and resiliency measures to improve lives more quickly, today, and into the future.

Introduction



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New Jersey municipalities face an infrastructure crisis. Current water infrastructure needs amount to \$8.6 billion for drinking water improvements over 20 years and \$17.5 billion in wastewater improvements¹

American Society of Civil Engineers. “2021 Report Card for America’s Infrastructure” (2021), <https://infrastructurereportcard.org/state-item/new-jersey/>

Aging, inadequate infrastructure, more frequent flooding, severe weather, and regulatory demands requires capital to realize resilient, sustainable water and wastewater quality infrastructure improvements.

Protecting and enhancing New Jersey’s water quality and water infrastructure is vital to the State’s health and economy. While often taken for granted, significant planning and investment is required to sustain and improve New Jersey’s aging infrastructure systems, but these costs often exceed the capabilities of local water utilities.⁴ The need for these same utilities to access efficient, cost-effective funding and expertise to realize necessary infrastructure improvements is imperative.

In answer to the State’s aging water and wastewater infrastructure and financing needs, it is slated to receive a portion of these necessary funds through President Biden’s November 15, 2021, Bipartisan Infrastructure Law that will provide \$1 billion to the State of New Jersey over the next five State fiscal years.

These infrastructure needs include lead service line replacement, PFOS “forever chemicals” treatment, combined sewer overflows mitigation and storm water management to address localized flooding, and climate resiliency measures to protect New Jersey’s infrastructure from more frequent and severe storm events.



Photo: Miguel Del Toral/Illustration: Paula Friedrich/WBEZ

| Acronyms: |
|--|
| NJDEP – New Jersey Department of Environmental Protection |
| BIL - Bipartisan Infrastructure Law |
| NJSRF – New Jersey State Revolving Fund |
| NEPA – National Environmental Policy Act |
| USEPA - United States Environmental Protection Agency |
| SERP - State Environmental Review Process |
| EDD – Environmental Decision Document |

In mission alignment with the BIL, NJDEP Guiding Principles and the NJSRF’s mission and vision New Jersey will administer these funds through the Department of Environmental Protection’s

⁴ “NJDEP | Water Infrastructure Investment Plan | Home.” n.d. [Www.nj.gov](https://www.nj.gov/dep/wiip/). Accessed February 9, 2022. <https://www.nj.gov/dep/wiip/>

(NJDEP) New Jersey State Revolving Fund Program (NJSRF). The NJSRF program, going on its 35th year, provides low-cost financing to plan, design, construct, and implement infrastructure projects that help to protect, maintain, and improve New Jersey’s water quality in accordance with the Clean Water Act, Drinking Water Act, and New Jersey State regulations.

The NJSRF loan program currently has 350 active projects and has disbursed approximately \$700M in State Fiscal Year 2021. It is anticipated that BIL demand will **double** the active project list to 700 projects based upon public interest indicators and the program’s needs survey.

Due to current program staffing and resource challenges associated with the disbursement of these funds, this process optimization plan, developed with stakeholder involvement, aims to provide a framework for timely, streamlined environmental planning report requirements for BIL fund disbursement in USEPA compliance. To ensure proper fund distribution that provides transparency, environmental integrity and equity within a prescribed timeframe, the proposed process improvement will outline the following:

- NJSRF Loan Program Background and Regulatory Authority
- NJSRF Application Requirements/State Environmental Review (SERP) Assessment and Environmental Decision Document Background
- Bipartisan Infrastructure Law Administration and Financing Considerations
- Current NJSRF Organizational Structure, Project Universe, and Staffing/Resources
- Strengths and Limitations of the Current State NJSRF Application Process and Practices for BIL Administration
- Process Optimization and Streamlining Opportunities
- Implementation Recommendations
- Potential to leverage BIL EDD workflow process for other types of future fund disbursement

This process optimization plan aims to identify components of the NJSRF environmental planning report requirements as part of the application process for streamlining to realize time and cost savings while meeting program goals and regulatory requirements with available resources. NJDEP’s overarching guiding principles along with the NJSRF program’s mission and vision provide the framework for financing New Jersey’s critical clean water needs.

- Section 1 provides NJSRF programmatic and regulatory background. It identifies loan application requirements, BIL fund administration goals and sets the stage to define the problem statement.
- Section 2 defines the problem and identifies NJSRF program challenges based upon the projected BIL workload, a doubled project universe without staff and resource increases, to be administered within BIL time constraints, five State fiscal years.
- Section 3 measures the current NJSRF application process strengths and weaknesses.

- Section 4 analyzes NJSRF application process redundancies and overlaps, identifies trends, and opportunities for streamlining.
- Section 5 identifies short-term and long-term recommendations and limitations to streamlining the NJSRF application process.
- Section 6 identifies application process streamlining limitations.
- Section 7 identifies implementation critical inputs for advancing the status quo.
- Section 8 identifies key performance indicators for streamlining success based upon water quality improvements, time and cost savings and customer satisfaction.
- Section 9 identifies ways to leverage the application streamlining process for all NJSRF projects and for future State and Federal financing initiatives.
- Section 10 concludes this optimization plan that stresses process effectiveness and efficiency to advance BIL and all NJSRF projects through the program.

Section 1 : Background

NJSRF Program and Regulatory Background

Mission: Assist communities to fund and construct sustainable infrastructure that protects water quality and public health.

The New Jersey State Revolving Fund (NJSRF) Loan program, now in its 35th year, provides low-cost financing for environmental infrastructure projects for the design, construction, and implementation of projects that help to protect, maintain, and improve New Jersey’s water quality in accordance with the Clean Water Act and New Jersey State regulations, N.J.A.C. 7:22 Financial Assistance Programs for Environmental Infrastructure Facilities, et seq. The program currently has 350 active projects and disbursed \$700 million in State Fiscal Year (SFY) 2021.

The NJSRF program, a partnership with the U.S. Environmental Protection Agency (USEPA), was created by the 1987 amendments to the Clean Water Act as a financial assistance program for a wide range of water infrastructure projects, under 33 U.S. Code §1383 that replaced EPA's Construction Grants program.⁵ When EPA delegated the SRF program back to the states in 1987, it defined the program application process through the State Environmental Review Process (SERP), and a mutually conceived and signed operating agreement. All 50 States have an SRF program with respective operating agreements carried out by State SRF coordinators.

⁵US EPA, OW. 2015. “Clean Water State Revolving Fund (CWSRF).” US EPA. April 13, 2015. <https://www.epa.gov/cwsrf>.

A. The NJSRF Environmental Review Process

NJSRF program’s environmental review modeled after NEPA, is narrowed to the limits of the construction impacts associated with water and wastewater treatment and conveyance processes. All Federal and State environmental review equivalencies are defined in the NJSRF’s operating agreement with USEPA and were developed to satisfy the environment review process in accordance NEPA to develop the State’s Environmental Decision Document (EDD) (Table 1).

Table 1: Federal and State Environmental Review Equivalencies

| Federal NEPA Environmental Review | NEPA Compliant State Environmental Review (Environmental Decision Document Levels of Review) |
|--|---|
| Categorical exclusion (CATEX) | Level 1 |
| Environmental Assessment | Level 2 |
| Environmental Impact Statement | Level 3 |

The EDD is the keystone of the program in that it provides an open and transparent decision-making process that addresses project alternatives and associated environmental impact to achieve the NJSRF’s overarching mission, to assist communities to fund and construct sustainable infrastructure that protects water quality and public health. All NJSRF projects require a completed environmental review as part of the program’s financing application prior to construction.

Projects qualifying for Level 1 environmental reviews include rehabilitation, repair, or replacement of existing environmental infrastructure facilities that do not result in significant environmental disturbances.

Projects qualifying for Level 2 environmental reviews can be expected to have a permanent adverse or a significant temporary adverse direct or indirect impact on cultural resources, endangered or threatened species or designated habitats, wetlands, vernal habitats, floodplains, important farmlands, or other environmentally critical areas and are expected to result in significant adverse public comment.

Level 3 type projects are expected to have significant adverse effects on the pattern and type of land use or growth and distribution of population in the project area. The proposed project may directly or indirectly have a significant adverse effect upon local ambient air quality, local ambient noise levels, surface water or groundwater quality or quantity, water supply, fish, shellfish, wildlife or their natural habitats. These proposed projects are expected to have multiple public participation processes.

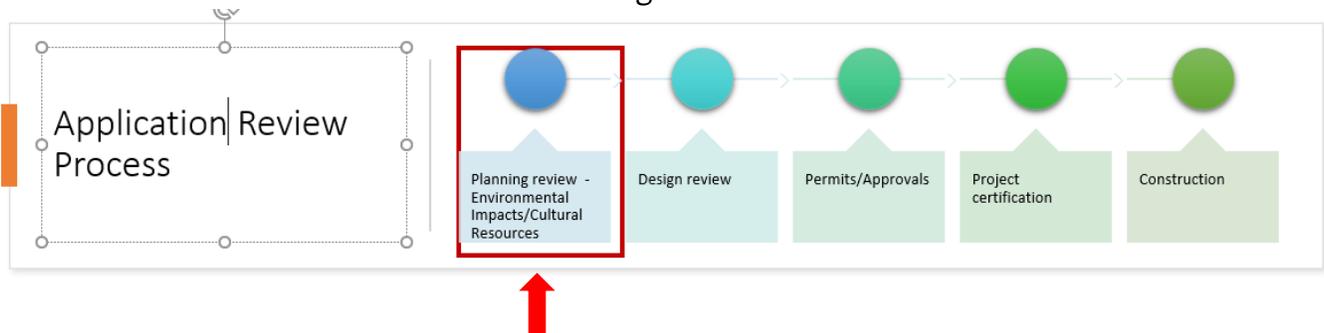
B. NJSRF Loan Application Process and Bipartisan Infrastructure Law (BIL) Considerations

Time = Money = CLEAN WATER

1. NJSRF Loan Application Process

To receive NJSRF funds, all projects require a project application submission that begins with the completion of an environmental planning report, a loan application, and contract documents, and the securing of all permits and approvals prior to construction (Figure 1). It is anticipated that the current NJ project universe of 350 will double based upon BIL public interest and input conveyed during three NJSRF BIL information sessions held on January 24 and 27, 2022.

Figure 1



2. Bipartisan Infrastructure Law Fund Considerations

The NJSRF will receive almost \$1 billion from the Bipartisan Infrastructure Law over the next five fiscal years. \$169M (\$72M for Clean Water SRF projects and \$97M for Drinking Water SRF project) is slated to be disbursed for SFY2023. BIL projects will be administered through the current NJSRF application process in compliance with BIL regulatory time constraints, 5 State fiscal years, via an open, equitable and transparent process with existing environmental and cultural resource staff.

Time is a critical element when considering BIL Fund management. *“Due to the time value of money and the environmental and public health benefits of building projects sooner rather later, SRF assistance provided this year is not the same as assistance provided next year.”*⁶

It is anticipated that most of the State BIL applicants’ project scopes will qualify as “Level 1” type projects based upon program trends and project sponsor needs input. While projects that qualify for Level 1 environmental reviews require less review time due to their straightforward nature and minimal environmental impacts, the BIL workload projection of 700 projects remains

⁶ ——. 2018. “SRF Fund Management Handbook.” [www.epa.gov](https://www.epa.gov/cwsrf/srf-fund-management-handbook). March 21, 2018. <https://www.epa.gov/cwsrf/srf-fund-management-handbook>.

challenging based upon the sheer volume of BIL projects to be administered with existing NJSRF program staff.

Section 2: NJSRF Program Challenges

Existing Organization Staffing and Projected BIL Workload

Currently, 10 environmental specialists and 4 archaeologists comprise the NJSRF environmental assessment team who reviews environmental planning reports and prepares EDDs as part the program’s application requirements. The staff has completed 350 environmental reviews for \$700 million worth of water and wastewater infrastructure projects for State Fiscal Year 2022.

Projected BIL fund demand is anticipated to double the existing NJSRF workload (~700 projects) without projected staffing increases. Based upon forecasted project volumes, the environmental planning report review process will require streamlining to move BIL projects quickly through the existing review process while adhering to the SERP and State and Federal laws within expedited timeframes to advance construction for infrastructure improvements that provide safe and clean water for New Jersey’s residents.

Section 3: Measuring the NJSRF Program’s Current Application Practices

The SRF Fund Management Handbook (SRF Handbook), a technical document to be used for successful implementation of the SRF programs provides a framework to advance projects through the NJSRF application process and suggests working with repeat customers to minimize application requirements.⁷ This is the starting point for optimizing the environmental planning report requirements process by enhancing project sponsor collaboration with repeat customers to identify program strengths, areas for environmental review application process improvement, opportunities to advance comprehensive facilities infrastructure planning and asset management while recognizing and identifying potential limitations.

⁷ ——. 2018. “SRF Fund Management Handbook.” Www.epa.gov. March 21, 2018. <https://www.epa.gov/cwsrf/srf-fund-management-handbook>.

A. Strengths

1. NJSRF Program's Current Streamlining Practices

a. Newark, New Jersey Lead Service Line Replacements



Photo credit: TAPinto Newark file photo

Current application streamlining for the City of Newark's lead service line (LSL) replacement process in 2018 facilitated Newark's replacement project with a Level 1 EDD 14 -day turnaround timeframe (Usually 30 to 45 days) for quicker replacement and a planning preparation cost savings of \$27,000 per project. The environmental planning report identified LSL locations through GIS mapping, and focused on public notification, and lead service line replacement information for the **entire** project based upon a comprehensive lead service line inventory and planning report, rather than individual, piecemeal planning reports for each phase project applications. The comprehensive LSL inventory approach has facilitated 23,096 LSL replacements in Newark to date.

b. Hurricane Sandy Disaster Recovery

Based upon lessons learned post-Hurricane Sandy in 2012, current State policy adopts federal environmental reviews when already completed for NJSRF projects to reduce environmental documentation preparation and review redundancy. This policy has been recently expanded with recommendations for improved environmental review sharing across multiple State and Federal agencies to advance cross-agency collaboration for quicker disaster recovery.

B. Weaknesses

While the above streamlining efforts resulted in cleaner, safer water that was made more readily available to New Jersey residents, more can and needs to be done to expand NJSRF application streamlining current practices to provide timely funding to address water contaminants that negatively affect public health and safety for BIL projects and beyond.

1. Barriers to NJSRF Application Optimization

a. NJSRF Current Application Process: A Project-Centered Approach

Acronyms:

BIL- Bipartisan Infrastructure Law

NJSRF – New Jersey State Revolving Fund

NEPA – National Environmental Policy Act

EDD – Environmental Decision Document

USEPA - United States Environmental Protection Agency

SERP - State Environmental Review Process

All NJSRF project sponsors are required to apply for water quality financing for each project, separately, each with its own environmental planning document based upon project specifics. Using the SRF Handbook recommendations for minimizing application requirements for repeat customers as a starting point for NJSRF application process optimization, the stakeholder work group began by identifying process waste based upon the repetition seen through the current project-centered application approach.

b. Repeat Customer Application Redundancy and Duplication

The Passaic Valley Sewerage Commission (PVSC) has prepared 58 NJSRF project applications to date. It represents the NJSRF's largest customer and provides wastewater treatment and biosolids management services for approximately 1.4 million residents, over 5,000 commercial entities, and approximately 225 industrial users within its 155 square mile sewer service area that includes 50 municipalities in parts of Bergen, Essex, Hudson, Passaic, and Union Counties.

The PVSC wastewater treatment plant is located within the 100-year and 500-year floodplain of the Passaic River and is located at the intersection of Wilson and Doremus Avenues in the City of Newark, New Jersey. The site is bounded by the New Jersey Turnpike to the west, Newark Bay to the east, and industrial properties to the north and south. It treats an average daily wastewater flow of 330 million gallons per day.

Using Passaic Valley Sewerage Commission (PVSC) as an example of a repeat customer with a long-standing history with the NJSRF program who is on its 59th NJSRF financing application, the following questions prompt further analysis to identify and reduce application redundancies and information duplication:

- What information and potential environmental and cultural resource impacts could be compiled (and how) from PVSC's 58 previous applications to advance NJSRF application streamlining that saves time and money?
- What other tools/documents contain this information and how could they be used for comprehensive planning purposes?
- How can this information reduce the environmental review process workflow and timeline?
- What levels of environmental review are most suited for streamlining?

Section 4: Analyzing the Data

A. Monthly Stakeholder Meetings

Passaic Valley Sewerage Commission, along with other State SRF coordinators, and NJSRF staff, as part of BIL project management and strategy planning met monthly from December 8, 2021, to March 21, 2022, to analyze the current NJSRF application process and provide recommendations for improvement.

1. Stakeholder meetings first identified where in the application process (Figure 2), streamlining could occur and identified project sponsor environmental planning/project report preparation times (Figure 3). The entire NJSRF application process workflow can be found in Appendix A.

Figure 2

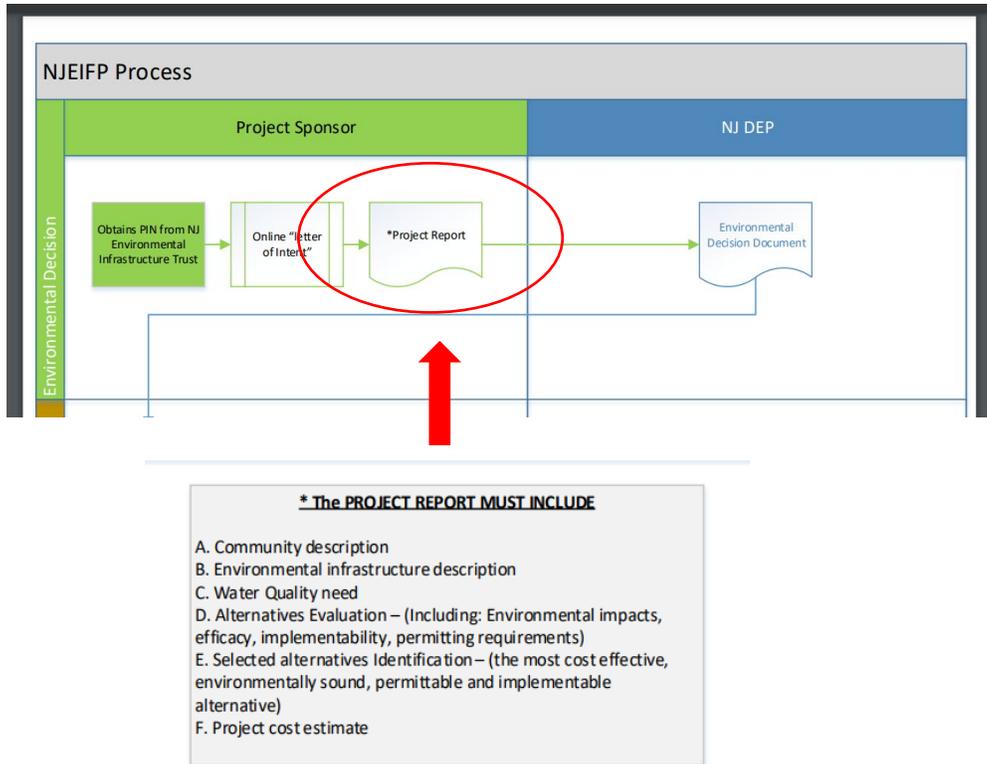


Figure 3

Project Sponsor Process Times

| <i>Environmental Planning Document</i> | <i>Project Sponsor Preparation Time</i> |
|--|---|
| Level 1 | 1 to 3 months |
| Level 2 | 3 to 6 months |
| Level 3 | 6 months to 1 year |

B. Identifying NJSRF Project Application Trends

- PVSC Project report items outlined in response to facility/community description, infrastructure description, and water quality need have remained the same for the majority of PVSC's 59 environmental planning reports since 1988.
- Wastewater Treatment Plant site and treatment unit locations have remained the same over 35 years.
- Site environmental and cultural resources remain the same over 35 years.
- Of PVSC's 59 projects, 50 are Level 1 reviews that entail rehabilitation, replacement, and repair of its existing infrastructure.
- Much of PVSC's infrastructure types and locations can be comprehensively compiled, cataloged, and inventoried.

C. The Sponsor- Centered SRF Application Approach in Practice

The State of Washington Environmental Review Model⁸

1. The State of Washington SRF program identifies environmental review as an ongoing process; it is not a project-based one-time permit or consultation. Review can cover the entire life of the project – with permits and consultations finalized during different phases.
2. Non-project facility descriptions (similar to NJSRF's project report requirements A., B., and C.,) are done at the planning phase of the application process.
3. Project sponsors set up non-project facilities plans during the application planning phase that is used for future preparation of SERPs.

D. New Jersey's SRF Application Process based on the State of Washington Model

Based upon the trends and repetition of project environmental planning documentation, the stakeholder workgroup stepped back from individual project application uploads to assess the BIG PICTURE consistent with the State of Washington application model. With the intent of developing ONE comprehensive facility plan to connect the series of PVSC funding actions, the stakeholder group considered:

- Existing Tools for comprehensive analysis
- Project sponsor ongoing relationship beyond a one-project application
- NJSRF Database Considerations
- Project Sponsor Facility Plan Achievability

⁸ <https://ecology.wa.gov/About-us/Payments-contracts-grants/Grants-loans/Find-a-grant-or-loan/Water-Quality-grants-and-loans/Environmental-review#EnvReview>

1. The NJSRF Project Sponsor-Centered Application Approach
 - a. Preparation of a comprehensive facility plan to identify wastewater/water treatment components, existing assets and future water quality needs, project location, site characteristics, and completed environmental and cultural resource reviews to date as part of a non-project comprehensive facilities plan.
 - b. Comprehensive facility plan preparation to dovetail facility asset management plans that remain consistent year to year.

2. Benefits of the NJSRF Project Sponsor-Centered Application Approach
 - a. Project Application Content remains the same for repeat customers.
 - b. A non-project planning approach reduces applications requirements for repeat customers based upon a project sponsor-centered collaboration.
 - c. A revised, streamlined application process workflow that uses a comprehensive, non-project planning approach may improve EDD issuance timeframes.
 - d. Comprehensive facilities planning can dovetail and complement asset management plans to inventory assets to address infrastructure needs over a 20 to 30-year timeframe.

Section 5: Recommendations

Considering the achievability and benefits of the NJSRF program’s project sponsor-centered application approach as assessed through the stakeholder work group brainstorming (PICK chart) process⁹, the following recommendations are intended for NJSRF program management consideration and outline those evidence-based options to make specific, measurable, achievable, relevant, and timely strides to meet the demand of BIL funds to address New Jersey’s water and wastewater needs.

Short-term Recommendations

The following recommendations outline those evidence-based options that require low effort but result in high yield for NJSRF project application streamlining.

1. **Pilot the NJSRF Project Sponsor -Centered Application Approach**
 - a. Using the State of Washington model, build upon PVSC’s collaborative relationship to develop **one** comprehensive facilities/ asset management plan from its previous applications to reduce process waste and to provide a cataloged inventory to draw from to determine impacts for EDD processing.
 - b. Determine a pilot time period (6-12 months).

- c. Determine efficacy of the comprehensive facility plan approach at the end of the pilot time period to reassess the process.

2. Use of the NJSRF Existing Database

- a. Determine appropriate locations within the existing database dashboard to house PVSC's comprehensive facility plan on a temporary basis.
- b. Determine database efficacy based upon pilot period.

3. Project Sponsor-Centered Approach Outreach

- a. Develop informational outreach materials to roll-out the comprehensive approach.
- b. Continue to monitor project sponsor satisfaction and feedback to improve/modify the project sponsor-centered approach.

Long-Term Recommendations

In consideration of evidence-based high-yield recommendations that may require more effort and longer lead times and/or technology advancement:

1. Continued Collaboration with Repeat Customers

- a. Approach and work with all repeat customers to prepare comprehensive facilities to complement and expand asset management plans.
- b. Develop
- c.

2. NJSRF Database Modifications

- a. Integrate the non-project documentation into the existing NJSRF database as a non-project to catalog and cache project sponsor information for easy NJSRF reviewer access to prepare EDDs.
- b. Develop tools to extract information directly from the project comprehensive plan to for seamless EDD preparation.

3. Incentivize Comprehensive Facility Planning

- a. Offer loan amount and loan application streamlining incentives for preparing a long-term facilities/asset-management plan by identifying time and cost savings through comprehensive facilities planning.
- b. Offer principal forgiveness for project sponsors who proactively prepare a comprehensive facilities plan.

⁹ <https://www.leansixsigmadefinition.com/glossary/pick-chart/>

Section 6: Limitations

- A. All aspects of comprehensive facilities/asset management planning cannot be accomplished overnight and that many systems require assistance, guidance, and time to complete the necessary tasks to identify and inventory their system assets. A commitment to work cooperatively with the program's repeat customers requires a project sponsor-centered focus to make this effort a success.
- B. Level 2 or Level 3 projects, by their nature, may not be appropriate candidates for EDD streamlining efforts due to public participation requirements and potential significant impacts.
- C. Off-Site work and water and wastewater conveyance occurring at multiple locations cannot be easily inventoried as a comprehensive document.
- D. Small systems without financial and technical resources may be limited in preparing comprehensive a facilities/asset management plan.
- E. Database capabilities will need to be assessed and potentially modified to act as a repository for non-project comprehensive facilities planning/asset management plans.

Section 7: Implementation

A. Critical Inputs for Advancing the Current NJSRF Project-Centered Application Process (The Status Quo)

These recommendations are to be meaningfully considered to address New Jersey's infrastructure crisis. Now is the time to assess interagency environmental review collaboration for a preemptive, proactive approach, not a reactive one. Further development and collaboration will be needed for implementation based upon the following:

1. Incremental capture of non-project facilities plans for repeat top-ranking project sponsors to cache facilities plan/asset management information to reduce application redundancies.
2. National Support for Interagency Collaboration and Streamlining Practices

Both the White House and Federal agencies through multiple administrations have advised for environmental review process interagency collaboration efforts that build upon previous administrations' guidelines. These principles and supporting guidelines called for "full collaboration on water resources related activities with other affected Federal agencies, Tribal, regional, state, local, and non-governmental entities to realize more comprehensive problem resolution and better-informed decision making" to promote "efficiency of effort and save resources, while enabling government at all levels to accomplish more."¹⁰

¹⁰ Luther, Linda. 2007. "National Environmental Policy Act: Streamlining NEPA." <https://congressional-proquest-com.proxy.library.upenn.edu/congressional/docview/t21.d22.crs-2007-rsi-1250?accountid=14707>.

With National support already in-place, State and Federal workforce collaboration can move BIL projects through the NJWB funding pipeline more efficiently and effectively.

3. Maintain Interagency Stakeholder Workgroup

As part of a proactive stance, *now* is the time to come together to explore, recommend and implement interagency collaboration efforts prior to improve the NJSRF process for all funding initiatives. The above-mentioned critical input options for advancing the status quo are a starting point for discussion to pursue additional opportunities not yet realized

The evidence-based streamlining benefit of NJSRF's current policy and adoption of Federal NEPA decisions, where they are issued, has resulted in less review time (with a year reduction) and New Jersey taxpayer savings without an increase in staffing or resources.

Ongoing collaboration efforts could expand and expedite the NJSRF application process beyond the BIL for the disbursement of future appropriated funds for all New Jersey projects seeking water and wastewater financing.

4. Develop and Map New Application Workflow Process

Modify NJSRF Application Workflow Process to reflect one comprehensive project upload into the NJSRF Project Database.

5. Control Plan

- a. Prepare a Standard Operating Procedure to assist staff in following the one comprehensive facility plan project sponsor-centered approach.
- b. Staff Training
- c. Continued Project Sponsor Collaboration
- d. Identify IT Needs

Section 8: Key Performance Indicators

Metrics of Success

1. Time and Cost Savings

- a. Comprehensive facilities plan/asset management plan for repeat customers, can save 1 to 3 months for Level 1 reviews and 3 to 6 months for Level 2 reviews by maintaining and updating one comprehensive planning document in the NJSRF database system.
- b. Environmental planning document preparation cost can range from \$5,000 - \$10,000 for a Level 1 environmental review to \$27,000 for a Level 2 environmental review as quoted by outside contractors.
- c. Time and cost savings combined incentivizes repeat customers to reduce waste and redundancy through the preparation of one comprehensive facilities plan.

2. Clean Water Benefits Reporting

The NJSRF collects Clean Water Benefits Reports for each loan that outlines environmental benefits by improving water quality, achieving, and maintaining compliance with environmental laws, protecting aquatic wildlife, protecting, and restoring drinking water sources, and preserving the nation's waters for recreational use. The NJSRF also collects Project and Benefits Reports for drinking water loans with similar information. These reports detail loan information, project descriptions, project need and compliance categories, as well as public health impacts as a result of project completion.

3. Project Sponsor Satisfaction

- a. Evaluate project sponsor satisfaction using survey tools that identify ease of application process, and time and cost savings.
- b. Continue to monitor the comprehensive facility plan approach for improvements/modifications based upon project sponsor feedback.

4. SRF Program Vision Realization

Through all above-metrics combined, the NJSRF program can continue to achieve its mission and realize its vision, **Clean and Healthy Communities through Clean Water.**

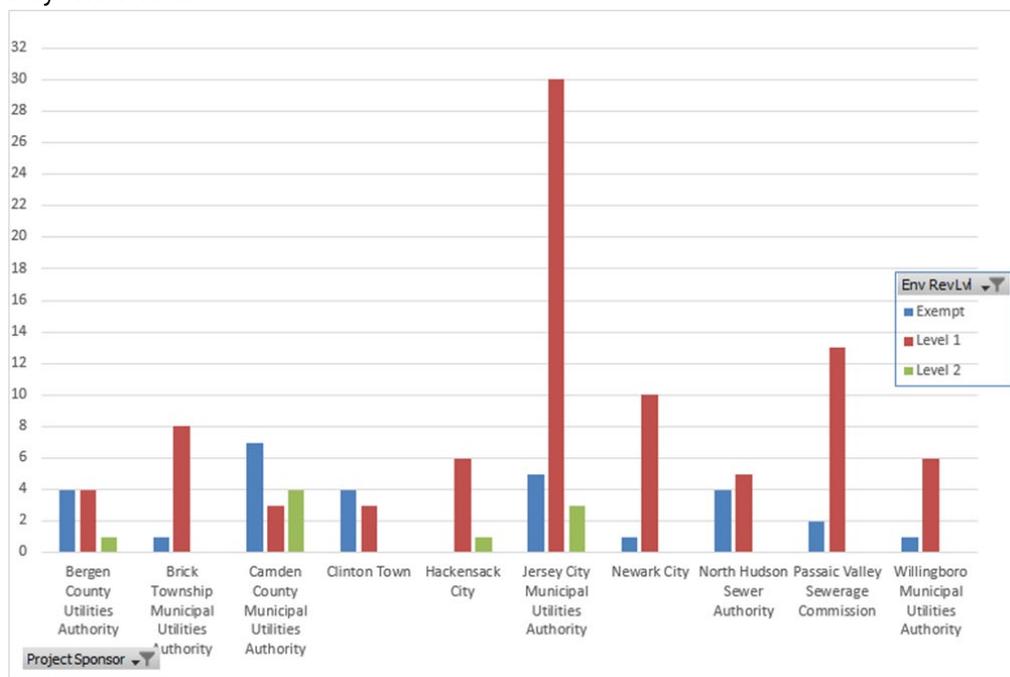
Section 9: Leveraging Plan

Future Applications – Beyond the BIL

1. Build upon the PVSC Pilot

Of the top ten highest ranked projects on the NJWB’s Priority List for SFY2022, all ten project sponsors (y-axis) are NJWB repeat customers which means that they have applied for NJWB financing and provided planning documentation for past projects as denoted by the number of projects (x-axis).

Attention should be next focused on these ten repeat customers, starting with Jersey City, for collaboration, to move the comprehensive facility plan approach beyond PVSC.



2. Prioritize Environmental Justice Areas

Collaborate with the above-graphed repeat customers to identify demographic and environmental indicators to focus and prioritize comprehensive planning for Environmental Justice (EJ) areas for streamlined water and wastewater infrastructure improvements.

3. Streamline Post-Disaster Recovery

Comprehensive facilities planning inventories can streamline NJSRF post-disaster relief financing to promote and advance New Jersey's quicker recovery.

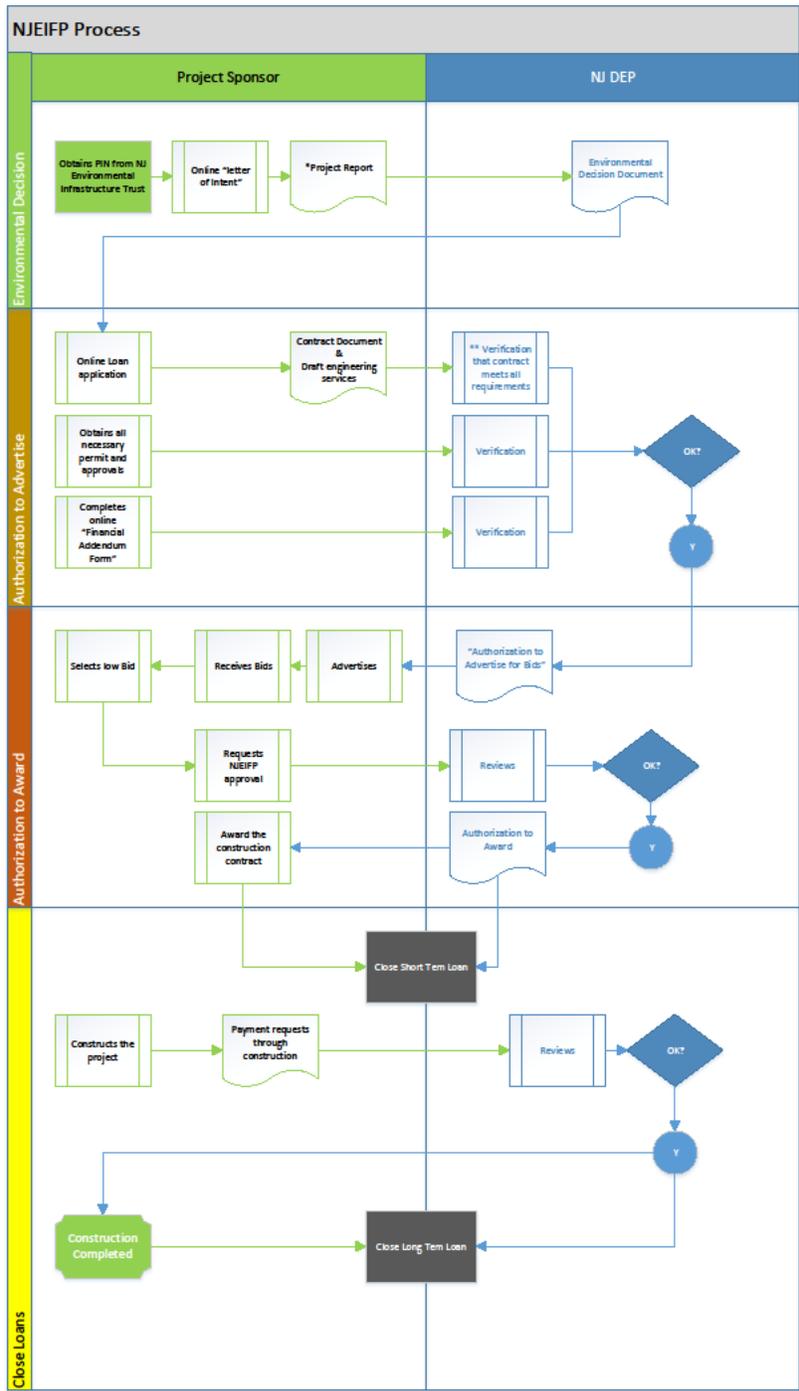
Section 10: Conclusion

Relying on current NJSRF environmental planning application requirements and practices misses additional time and money savings opportunities that could be realized through repeat customer collaboration. With a project sponsor-centered approach to build upon existing relationships and for streamlined information sharing, SRF fund disbursement in New Jersey becomes efficient and effective. A proactive, collaborative environmental review strategy allows time to fully explore critical input options prior to receiving BIL funds the next to avoid protracted application review times, redundancy, and cost. Now is the time to act to advance the status quo, reduce government waste, expedite New Jersey's resiliency measures, and improve lives, now, and into the future.

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Appendix A



- * The PROJECT REPORT MUST INCLUDE**
- A. Community description
 - B. Environmental infrastructure description
 - C. Water Quality need
 - D. Alternatives Evaluation – (including Environmental impacts, efficacy, implementability, permitting requirements)
 - E. Selected alternatives identification – (the most cost effective, environmentally sound, permissible and implementable alternative)
 - F. Project cost estimate

- ** Verification that Contract meets all requirements**
- Comply with State, Federal & Local law as well as USEPA & NJEIFP requirements e.g.:
- Davis-Bacon Act,
 - American Iron & Steel,
 - State & Federal wage rates,
 - Socially & Economically Disadvantaged Business Utilization requirements