



Maryland

Department of
the Environment

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
DRINKING WATER REVOLVING LOAN FUND PROGRAM
FINAL FEDERAL FISCAL YEAR 2025
INTENDED USE PLAN
AUGUST, 2025**

Wes Moore
Governor

Aruna Miller
Lt. Governor

Serena McIlwain
Secretary

Suzanne E. Dorsey
Deputy Secretary
Adam Ortiz
Deputy Secretary

**MARYLAND DEPARTMENT OF THE ENVIRONMENT
MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
FINAL Federal Fiscal Year 2025 Intended Use Plan
Maryland Drinking Water Revolving Loan Fund**

TABLE OF CONTENTS

Executive Summary	1
A. Sources and Uses of Funds	3
B. Goals of the Maryland Drinking Water Revolving Loan Fund	4
C. Project Selection and Fund Activities under the FFY 2025 Intended Use Plan (IUP)	5
D. Project Scope of Work/Public Health Benefits - FFY 2025 IUP Projects	6
E. Minority Business Enterprises/Women's Business Enterprises (M/WBE) Participation.....	7
F. Assurances	7
G. Binding Commitments	7
H. Public Review of the Draft and Revised Draft FFY 2025 IUP	7

Table 1 - Project Funding List and Sources/Uses of Funds

Appendix A:	Maryland DWSRF FINAL Project Priority List for FFY 2025 IUP
Appendix B:	DWSRF Project Priority Ranking/Scoring Criteria
Appendix C:	Public Comment Responsiveness Summary
Appendix D:	Assistant Attorney General Certification

MARYLAND DEPARTMENT OF THE ENVIRONMENT
MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
FINAL Federal Fiscal Year 2025 Intended Use Plan
Maryland Drinking Water Revolving Loan Fund

EXECUTIVE SUMMARY

The Intended Use Plan (IUP) is the document that the Maryland Water Infrastructure Financing Administration (MWIFA) submits to the United States Environmental Protection Agency (EPA) to request the Federal Fiscal Year (FFY) 2025 Capitalization Grant under the Safe Drinking Water Act (SDWA) for use in the Maryland Drinking Water Revolving Loan Fund (DWRLF or DWSRF). The Maryland DWSRF was established by amendments to the Maryland Water Quality Financing Administration Act, Title 9, Subtitle 16 of the Environment Article, Annotated Code of Maryland, to provide below market interest rate loans and other subsidies to local governments and eligible private entities for certain eligible drinking water capital improvement projects.

In addition, in 2021, the Infrastructure Investments and Jobs Act (IIJA) (Pub. L. 117-58), provided a General Supplemental allotment, a Lead Service Line allotment, and an Emerging Contaminants to the Drinking Water SRF Program. This IUP is also the document that MWIFA submits to EPA to request Maryland's annual allotments from these appropriations.

The State of Maryland is committed to using the capitalization grant funds ("capitalization grants") for which MWIFA is applying to provide funding for eligible drinking water improvements and set-aside activities that will further the public health objectives of the SDWA.

For FFY25, Maryland is making applications to receive:

1. Base DW Capitalization Grant allotment of \$22,744,000, to be matched with \$4,548,800 (20%) in State funds, as required.
2. IIJA DW General Supplemental Capitalization Grant allotment of \$51,732,000, to be matched with \$10,346,400 (20%) in State funds, as required.
3. IIJA DW Emerging Contaminants Capitalization Grant allotment of \$15,874,000. (No State match is required).

IIJA DW Emerging Contaminants FFY 22 reallocation of \$30,000 and FFY 23 reallocation of \$448,000 (No State match is required).

4. IIJA DW Lead Service Line Capitalization Grant allotment of \$TBD (no State match required). As of this writing on 6/30/25, the EPA has not issued allotments to the states for their LSL programs so it remains to be determined what amount Maryland will receive.
5. EPA has announced the IIJA DW Lead Service Line FFY 22 reallocation of \$2,290,000 for Maryland. (No State match required).

Under this IUP, \$77,566,520 (approximately 73%) of all the FFY 2025 capitalization grant allotments (including reallocations) are allocated to Drinking Water capital projects. This figure represents the capitalization grant plus match minus the set asides for non-capital administrative work. The Federal project funds combined with State general fund/GO bond match, loan repayments, and investment earnings will be used to provide low interest loans and other financial subsidies for eligible DWSRF capital improvements, totaling \$111,886,007. MWIFA will utilize the 4% set-aside from the Base allotment for eligible non-program activities. The Maryland Department of the Environment (MDE) Water & Science Administration (WSA) provided MWIFA and EPA a separate work plan for the use of the three programmatic set-asides (2%, 10%, 15%) totaling \$25,433,320 from DWSRF base and IIJA funding. MWIFA and MDE WSA maintain their authority to reserve the remaining 2%, 10%, and 15% set-asides from DWSRF Base and IIJA Grants for future eligible uses and maintains an accounting of these amounts. Important to note, these figures do not include a federal allotment for lead service line (LSL) funds, which explains why these are lower than FFY24. **These figures will be updated once the announcement of Maryland's LSL allotment has been made.**

The highlights of the FFY 2025 IUP are as follows:

DWSRF FFY 2025 IUP TOTAL SOURCES		DWSRF FFY 2025 IUP TOTAL USES	
Base Federal Funds for Capital Projects	\$ 22,744,000	DWSRF Capital Projects Loans & Grants	\$ 111,886,007
Base State Match for Capital Projects (20%)	\$ 4,548,800	<u>Federal Set-asides - Base+IIJA Supp+IIJA EC+IIJA LSL</u>	
IIJA General Supplemental Funding for Capital Projects	\$ 51,732,000		
State Match for IIJA General Supplemental Funding (20%)	\$ 10,346,400	2% Technical Assistance	\$ 1,816,560
IIJA Emerging Contaminants Funding for Capital Projects	\$ 15,874,000	4% DWSRF Admin	\$ 909,760
IIJA Emerging Contaminants Funding - FFY 23+22 EC Reallotment	\$ 478,000	10% Drinking Water Program Support	\$ 9,082,800
IIJA Lead Service Line Funding for Capital Projects - FFY 2025 TBD	\$ -	15% Local Assistance/State Activities (LSL is TBD)	\$ 13,624,200
IIJA Lead Service Line Funding - FFY 20XX LSL Reallotment TBD	\$ -		
Est. Investment Earnings and Repayments and Reprogrammed Funds	\$ 31,596,127		
TOTAL	\$ 137,319,327		\$ 137,319,327

To provide applicants an opportunity to seek DWSRF funding, Financial Assistance Applications for drinking water (drinking water, source, treatment, storage and distribution) capital projects were accepted by MWIFA from December 2, 2024 through January 31, 2025. The DWSRF IUP Table 1 shows the proposed list of projects for inclusion in the FFY 2025 IUP for DWSRF financial assistance, including those projects that are being considered for additional subsidy (loan principal forgiveness) based on the assumed federal statutory limitations. These projects were selected from the Project Priority List (PPL) based on their Integrated Project Priority System (IPPS) ranking; compliance with technical, managerial, and preliminary financial capacity; readiness to proceed to construction during a reasonable time frame, and compliance with the following two state requirements: 1) that the project is included in, or amended to, an MDE-approved County Water and Sewer Plan and 2) that the project is consistent with Maryland's Smart Growth/Priority Funding Area (PFA) legislation or has received a PFA exception. Before loan execution, projects identified in the IUP will undergo a detailed financial capacity/credit analysis by the MWIFA. The DWSRF loan terms are outlined below:

Current Interest Rate*	Standard Rate = 50% of Market Rate Disadvantaged Community (DAC) Rate = 25% of Market Rate (Market Interest Rate is defined as the average of the Bond Buyer 11-Bond Index for the month preceding the loan closing). * MDE, by policy, can change the SRF loan interest rate at any time. Interest rates are updated monthly. The range of interest rates for the preceding fiscal year are posted on the MWIFA web site.
Loan Term	Up to 30 Years (up to 40 years for (DACs), not to exceed useful life of the constructed asset. 100% principal forgiveness loans have a duration of 10 years, regardless of the life of the asset.
Loan Origination Fee	None
Loan Administrative Fee	5% of the aggregate debt service divided by the number of administrative fee payments over the life of the loan, collected annually. The administrative fee is used to help meet program operating expenses. These funds are in addition to any funds provided for DWSRF program expenses from the federal capitalization grants.

**MARYLAND DEPARTMENT OF THE ENVIRONMENT
MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
FINAL Federal Fiscal Year 2025 Intended Use Plan
Maryland Drinking Water Revolving Loan Fund**

A. Last Year's (FFY24) Sources and Uses of Funds Comprehensive Table

TABLE UPDATE PENDING RELEASE OF THE LEAD SERVICE LINES ALLOTMENT FROM EPA

B. Goals of the Maryland Drinking Water Revolving Loan Fund

1. Long-Term Goals

- Achieve and/or Maintain Compliance with Safe Drinking Water Standards - Using the DWSRF project priority rating and ranking system, target financial assistance that will help water systems comply with, maintain, or meet safe drinking water standards, and address public health issues.
- Coordination of Capital & Set-Aside Priorities - Coordinate State priorities under the set-aside work plan (technical assistance, source water protection, and technical, managerial & financial capacity development) to target DWSRF funding to high priority capital projects to achieve objectives consistent with the SDWA.
- Fund Perpetuity and Utilization - To provide low interest rate financing and other subsidies to high priority eligible projects that are ready to proceed within a reasonable time while maintaining a perpetual source of capital funds for future projects. The goal is to achieve a fund utilization rate (loans executed/total funds) of 95% or greater. This is one Program Activity Measure (PAM) under EPA's strategic plan for the DWSRF. The DWSRF could finance approximately \$316.2 million in additional loans from capitalization grants, State match, loan repayments, and investment earnings between FFY 2025 and FFY 2028 IUPs (excluding revenue bond leveraging and 27% - 31% allocated toward set-asides annually). This is in addition to the \$1.042 billion of capacity on existing IUPs (FFY 1998 – 2024). This analysis assumes an annual Maryland Federal Capitalization Grant of ~\$10 million per year, as well as IJA General Supplemental Capitalization Grants of ~\$43 million per year through FFY 2026. The cumulative loan capacity of the DWSRF is projected to reach \$1.36 billion by FFY 2028.
- Funding Prioritization – The IPPS rating and ranking system targets financial assistance to projects that help meet Maryland's priorities for safe drinking water, as well as federal requirements to limit human exposure to lead, and perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants in drinking water. The IPPS focuses on the proposed project drinking water quality and quantity benefits, documented public health concerns, compliance status, cost efficiency, and other co-benefits. On June 24, 2025, staff from MWIFA and the MDE WSA Water Supply Program (WSP) hosted a one-hour webinar focused on PFAS mitigation techniques and how to obtain funding for such project through the DWSRF Program. This webinar will be followed up with two "office hour" sessions in Fall 2025 to provide guidance and an opportunity for questions and answers. The intention is to develop clear communication, build awareness and promote health and safety options provided by the DWSRF. MWIFA intends to transfer the FFY24 and FFY25 WQSRF allotments to the WSP once the award is made by EPA to MDE to address the urgent demand shown by the number of PFAS applications to the DWSRF. MWIFA anticipates this transfer will provide an additional \$10,553,000 to respond to this public health need.
- Reasonable User Cost – To ensure projects are constructed at a reasonable cost for the users of the system, MWIFA will continue to provide disadvantaged communities (DACs) a lower interest rate and additional subsidies in the form of loan principal forgiveness. MWIFA will continue to additionally utilize its state grant programs and coordinate with other federal and state financial assistance programs (e.g., USDA Rural Utilities Service, Community Development Block Grant, Federal Special Appropriation grants). Reasonable cost is based on four economic metrics: percent poverty, unemployment, median household income and population decline, as described below.

- Financial Capacity and DAC Assistance - As part of the credit/financial analysis of potential borrowers, MWIFA will continue to provide financial advisory services to system owners on the feasibility of their user rate structure and financial capacity to pay back a loan. The MWIFA financial model forecasts future operating cash flows based on existing/proposed user rates using audited financial statements and includes a 2% inflation factor for all projected out years. The model has been an effective tool to assist communities in developing affordable user rate structures and in determining additional subsidies to DACs.

2. Short-Term Goals/FFY2025 IUP Operating Goals

- Utility Sustainability - To provide low-cost capital financing for existing facility (fix-it-first) upgrades for drinking water system improvements necessary to achieve or maintain SDWA compliance. The FFY 2025 IUP funding list identifies several such projects. In addition, MWIFA continues to work closely with facility owners to maintain system financial capacity. MWIFA's credit capacity analysis includes discussions with potential loan recipients to ensure their enterprise fund remains fiscally solvent. Fiscal solvency includes reliable and dedicated sources of revenue for the debt service on capital improvements and the cost of operations and maintenance. Projects that support sustainable elements, such as asset management, or projects that support green infrastructure, such as water/energy efficiency, are awarded sustainability points on the project rating system.
- Additional Subsidization and Eligible Recipients – The FFY25 Base Capitalization Grant allotment is subject to two distinct and additive authorities requiring that a percentage of the allotment be provided as additional subsidy (e.g., loan principal forgiveness: a mandatory 14% Congressional Additional Subsidy (\$3,184,160) to any DWSRF eligible recipient and a mandatory 12% to 35% SDWA Additional Subsidy (\$2,729,280 to \$7,960,400.26) for a total requirement of 26% to 49% (\$5,913,440 to \$11,144,560). The FFY25 IIJA General Supplemental allotment requires that 49% (\$23,348,680) of the appropriation must be provided as additional subsidy. The FFY25 IIJA Emerging Contaminants allotment (including FFY22 and 23 IIJA Emerging Contaminants reallocation requires that 100% (\$15,874,000, \$30,000 and \$448,000, respectively; actual amount net of set-asides taken) be provided as additional subsidy. As of this writing on 6/28/25, the FFY25 IIJA Lead Service Line Replacement allotment has not been announced by the EPA. Once the amount is known and any potential reallocations announced, e.g. FFY22 IIJA Lead Service Line Replacement reallocation, the total federal allocation requires that 49% (\$TBD and \$2,290,000, respectively as of 5/25/25) be provided as additional subsidy. Additional subsidies are provided to eligible projects in priority ranking order with readiness to proceed to construction until the statutory limit is reached. It has been MWIFA's policy to provide additional subsidy in the form of loan principal forgiveness from the Base program to DACs in an amount up to 50% of the financed amount, not to exceed \$1.5 million; however, the Administration reserves the right to revise this policy by increasing this amount should circumstances warrant. MWIFA's current DAC eligibility criteria, as approved by EPA, is as follows:

Require at least 2 of the following 4 criteria to qualify as a disadvantaged community

1. Project is physically located and benefits a community with a poverty level above 110% of the statewide poverty rate; and/or
2. Project is physically located and benefits a community with median household income (MHI) less than 80% of State MHI; and/or
3. Project is physically located and benefits a community with an unemployment rate above 120% of the State unemployment rate; and/or
4. Project is physically located and benefits a community with a population trend of less than -1.2%.

In addition to the above criteria, if the statutory limit for additional subsidy has not been reached, up to 25% of the loan amount as loan principal forgiveness may also be provided to projects in priority ranking order with readiness to proceed where the water user rate would increase by more than 20% to achieve financial capacity as determined by MDE.

- Explore the establishment of a statewide pay-for-performance contract for lead service line inventories – MWIFA, along with MDE's Water Supply Program, are in the early stages of exploring the development of a statewide lead service line inventory, which would follow the "pay for performance" model successfully implemented elsewhere to resolve "unknowns" within the system.

- Maintain Sufficient Staffing Levels – Given the departure of key staffing elements in early 2025, one of the most important programmatic short-term goals is to build staff back into crucial roles and ensure sustainable program operating levels.
- Broaden the Borrowing Base – With recent changes at the federal level, MWIFA is actively engaged in monitoring the risk of loss to federal funds for various programs. Many of the borrowers who are MWIFA's clients rely on these federal dollars to achieve their capital project public health and environmental goals. In times with greater uncertainty, MWIFA must try to broaden the base of loan borrowers to meet the growing needs across all of Maryland; increase the pace at which loans are closed and decrease the number of outstanding projects to which programmed funding has already been committed. These will be operating goals in the coming fiscal year.

C. Project Selection and Fund Activities under the FFY 2025 IUP

Financial Assistance Applications for drinking water projects were solicited by MWIFA from December 2, 2024 through January 31, 2025 from local governments and private water system owners. Applications received were rated and ranked based on Drinking Water Integrated Project Priority System (IPPS), reviewed for consistency with state requirements, and identified in the Maryland Drinking Water PPL for FFY25/SFY27 (Appendix A). The PPL was used to select projects for the FFY 2025 IUP, based on their priority ranking, applicant's interest in DWSRF financing (including IIJA funding), and readiness to proceed to construction within a reasonable timeframe (unless specifically requesting a planning/design phase loan). Projects that were not consistent with the following two state requirements: 1) that the project is included in, or amended to, an MDE-approved County Water and Sewer Plan and 2) that the project is consistent with Maryland's Smart Growth/Priority Funding Area (PFA) legislation or has received a PFA exception were bypassed as ineligible for funding during that funding cycle. Projects with technical or managerial concerns that would not be resolved by the project were bypassed. The FFY 2025 IUP includes \$111,886,007 in project funding.

Below is a summary of the sources and uses of funds:

DWSRF FFY 2025 IUP TOTAL SOURCES		DWSRF FFY 2025 IUP TOTAL USES	
Base Federal Funds for Capital Projects	\$ 22,744,000	DWSRF Capital Projects Loans & Grants	\$ 111,886,007
Base State Match for Capital Projects (20%)	\$ 4,548,800	<u>Federal Set-asides - Base+IIJA Supp+IIJA EC+IIJA LSL</u>	
IIJA General Supplemental Funding for Capital Projects	\$ 51,732,000		
State Match for IIJA General Supplemental Funding (20%)	\$ 10,346,400	2% Technical Assistance	\$ 1,816,560
IIJA Emerging Contaminants Funding for Capital Projects	\$ 15,874,000	4% DWSRF Admin	\$ 909,760
IIJA Emerging Contaminants Funding - FFY 23+22 EC Reallotment	\$ 478,000	10% Drinking Water Program Support	\$ 9,082,800
IIJA Lead Service Line Funding for Capital Projects - FFY 2025 TBD	\$ -	15% Local Assistance/State Activities (LSL is TBD)	\$ 13,624,200
IIJA Lead Service Line Funding - FFY 20XX LSL Reallotment TBD	\$ -		
Est. Investment Earnings and Repayments and Reprogrammed Funds	\$ 31,596,127		
TOTAL	\$ 137,319,327		\$ 137,319,327

1. **Funding by Type of Project:** The primary objective of the SDWA is to protect public health by providing safe and adequate drinking water through source water protection, treatment, storage and distribution. The FFY 2025

IUP identifies approximately 43% for treatment, 55% for transmission/distribution, 2% for finished water storage. There were no projects for source water and none in the other type category.

2. **Assistance to Small Systems Requirement:** Table 1 shows funding for DWSRF projects totaling \$111,886,007. The SDWA specifies that a minimum of 15% of all dollars (capitalization grant, State match, repayments, bond proceeds, investment earnings, transferred funds from WQSRF to DWSRF) credited to the DWSRF project fund, shall be used to provide assistance to small systems. The project list includes \$35,260,741 (32%) for small systems.
3. **Additional Subsidy Requirements:** The FFY25 Base Capitalization Grant allotment is subject to two distinct and additive authorities requiring that a percentage of the allotment be provided as additional subsidy (e.g., loan principal forgiveness: a mandatory 14% Congressional Additional Subsidy (\$3,184,160) to any DWSRF eligible recipient and a mandatory 12% to 35% SDWA Additional Subsidy (\$2,729,280 to \$7,960,400.26) for a total requirement of 26% to 49% (\$5,913,440 to \$11,144,560). The FFY25 IIJA General Supplemental allotment requires that 49% (\$23,348,680) of the appropriation must be provided as additional subsidy. The FFY25 IIJA Emerging Contaminants allotment and FFY22 + 23 IIJA Emerging Contaminants reallocation requires that 100% (\$15,874,000 plus \$30,000 and \$448,000, respectively; actual amount net of set-asides taken) be provided as additional subsidy. As of this writing on 6/30/25, the FFY25 IIJA Lead Service Line Replacement allotment has not been announced by the EPA. Once the amount is known and any potential reallocations announced, e.g. FFY22 IIJA Lead Service Line Replacement reallocation, the total federal allocation requires that 49% (\$TBD and \$2,290,000, respectively as of 5/25/25) be provided as additional subsidy. The FFY 2025 IUP Table 1 identifies:
 - o \$5,913,450 (26%) of the Base capitalization grant in additional subsidies (loan principal forgiveness):
 - o \$23,348,680 (49%) of IIJA General Supplemental in additional subsidies (as loan principal forgiveness):
 - o \$11,936,690 (75%, net of set-asides) of IIJA Emerging Contaminants (FFY25 + FFY23 + FFY22) in additional subsidies as loan principal forgiveness; and
 - o \$TBD (49%) of IIJA Lead Service Line Replacement (FFY25 TBD + \$2,290,000 in FFY22 reallocation) in additional subsidy as loan principal forgiveness.

Table 1 also identifies borrowers that qualify as a DAC; however, the extent of subsidy provided (e.g., lower interest rate, up to 40-year loan term, loan principal forgiveness) is determined based on the DAC Criteria described in Section B-2, above.

4. **Administrative Expenses:** With this FFY 2025 IUP, the MWIFA is requesting the federal 4% funds from the Base program, to be used in addition to loan fees as described below for DWSRF program administration.
5. **Program Income (Non-Federal):** The MWIFA charges loan fees equal to 5% of annual debt service, which are used for administrative expenses in addition to the 4% of federal DW capitalization grant set-aside. The details related to the program income revenue and expenses are provided each year in the annual report. During State FY 2025, MWQFA estimates the fee revenues to be approximately \$897,690.

D. Project Scope of Work/Public Health Benefits – FFY 2025 IUP Projects

The following are examples of the types of projects selected for financial assistance in the FFY2025 IUP.

Colonial Mills Mobile Home Park PFAS Exposure Reduction (PPL rank 1/140 points) in Wicomico County will abandon an existing small-scale public water source owned and operated by the Colonial Mills Mobile Home Park (MHP), which has shown to have high levels of PFAS in drinking water. It will also connect users to the Town of Delmar's public water, which is under PFAS regulatory limits and has a centralized water treatment facility should the town need to more actively treat PFAS contaminants in the future. The proposed project's scope includes the installation of a meter vault, connective water piping between the town and MHP, and valves along Stage Road near Colonial Mills MHP. The project is also in a disadvantaged community as determined by MDE standards relating to median household income, unemployment, and population growth, which provides access to preferential funding terms and increases a project's relative priority.

PFAS Remediation Construction at Paleo Water Treatment Plant (PPL rank 6/110 points) in Wicomico County will complete the PFAS treatment facility at the Paleo Water Treatment Plant (WTP) in the City of Salisbury, which includes a new building to house filters and other treatment equipment. The project is to assist a compliant system in meeting future requirements effective in 2029, as the City's wells going to the WTP are above the EPA-determined maximum contaminant levels (MCLs) for PFAS and related chemicals.

Water Reuse Project - Westminster (PPL rank 22/80 points) in Carroll County aims to provide a locally-owned and drought resistant water supply for the City of Westminster for its 38,000 users. The City has experienced severe drought conditions and water security issues in years past, including in 2002-2003 when it had to truck in water from a nearby quarry to meet customer needs. To address this issue, the project will develop an advanced water purification system for reclaimed water from the wastewater system, the first of its kind in the state of Maryland. The project will include technologies such as pre-selected ultrafiltration, reverse osmosis, ultraviolet disinfection, and granular activated carbon at the facility, as well as new piping and construction. The project is in a disadvantaged community, increasing its priority ranking and making it eligible for preferential financing terms.

Dolphin Road Water Main Replacement Project (PPL rank 24/75 points) in Prince George's County is a part of Washington Suburban Sanitary Commission's Water Reconstruction Program for the rehabilitation and replacement of water mains, house connections and large water services. The nearly 60-year-old water mains are past their useful life and corroding, causing six water main breaks within the last five years and threatening public health and safety. The project will replace approximately 2.20 miles of water mains in the community, helping supply water in sufficient quantity, quality, and pressure for domestic use. The project also serves a disadvantaged community, increasing its priority ranking and making it eligible for preferential financing terms.

E. Minority Business Enterprises/Women's Business Enterprises (M/WBE) Participation

The EPA and MDE negotiated fair share goals for FFYs 2024, 2025, and 2026 based on the Maryland Department of Transportation 2018 disparity/availability study. Based on these negotiations, MDE set goals of 22% MBE and 16% WBE for the "construction" category (total 38% M/WBE).

These goals will be applicable to all projects financed using DWSRF (loans, loan principal forgiveness). MDE provides DWSRF applicants an "Insert" for inclusion in procurement/bid documents, which outlines the M/WBE (%) goals and the affirmative/positive steps necessary to show a good faith effort consistent with federal regulations under 40 CFR Part 33. Failure to meet the M/WBE goals does not preclude the use of the SRF, as long as the good faith efforts can be demonstrated and documented. It is important that the loan recipients and their prime contractors undertake the necessary affirmative/positive steps to assure that M/WBE firms are afforded the opportunity to participate in SRF projects. All subcontractors selected to participate in the project are also subject to these Good Faith Efforts requirements when further subcontracting or dividing a scope of work. M/WBE Program details and forms are available on MDE's web site at <https://mde.maryland.gov/programs/water/wqfa/pages/mwbe.aspx>.

F. Assurances

The Department agrees to comply with the Federal program requirements as outlined in the Operating Agreement between EPA and MDE, amended as of April 2014, and further updated as of February 2016, as well as grant conditions in each Capitalization Grant Agreement.

G. Binding Commitments

The projected binding commitments will occur at or around construction start date indicated for each project listed in Table 1. Prior to the execution of the loan, Maryland law requires that any proposed financing be approved by the Board of Public Works (BPW), an authoritative three-member fiscal panel comprised of the State's Governor, the Comptroller and the Treasurer. All SRF projects are subject to and must obtain pre-approval by the BPW to encumber the programmed funds and is a prerequisite to form a loan agreement or receive a state or federal grant.

H. Public Review of the Draft FFY 2025 IUP

The 30-day public comment period started July 1st, 2025. On that date, an email was sent to all applicants who submitted Financial Assistance Applications (and others), informing them of the availability of the Draft IUP/PPL

on MDE's website. The interested parties list includes representatives from state and local government, environmental consultants/engineers, community groups, neighborhood associations, environmental organizations and the general public. Additionally, MWIFA provided an email notification to the following Maryland Commissions/Committees to share with their membership and interested parties' lists: the Children's Environmental Health and Protection Advisory Council and the Bay Restoration Fund Advisory Committee. MWIFA also coordinated with MDE's Communications Office to ensure that the draft IUP documents are shared via the Department's various social media accounts. MWIFA also shared the draft IUP with the Maryland General Assembly.

Public comments will be received through July 31, 2025, and the comment period will close on that date. MWIFA is available to answer any questions that arise during the comment period to ensure the public fully understands what is being proposed in the IUP. MWIFA is responsive regarding any comments or concerns raised during the public comment period. A public responsiveness document will be drafted to summarize all comments received. The summary will be attached as Appendix C to this final document. The Responsiveness Summary indicates what actions MDE took on comments submitted, as well as corrections made as necessary.

In August 2025, MWIFA will share the revised, final documents via email and on its website after review and in response to comments from the U.S. Environmental Protection Agency (EPA).

How to Contact MWIFA

Please visit our website for further information about our Funding Programs at:

<https://mde.maryland.gov/programs/water/WQFA/Pages/index.aspx>

If you have questions or wish to have more information, please contact:

Paul Emmart, Division Chief
Maryland Water Infrastructure Financing Administration
Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, MD 21230
paul.emmart@maryland.gov