

Community
Environmental
Project Fund
Application

2014

All of the attachments referenced in this document can also be found at
<http://www.dnrec.delaware.gov/ciac/Pages//CIAC.aspx>

I. About the Community Environmental Project Fund

The Community Environmental Project Fund (CEPF) was created in 2003 by the passage of House Bill 192 (**Attachment A**). The legislation was conceived in the General Assembly as a means to generate revenues to rectify the harm inflicted on communities by environmental pollution. HB 192 authorized the Department of Natural Resources and Environmental Control (DNREC) to appropriate 25% of all the revenues collected for civil and administrative penalties to a new account. The Community Environmental Project Funds are to be expended in the same communities where infractions or violations of environmental laws have occurred organizations to implement community environmental projects that enhance and restore the environment. The projects that are eligible for CEPF funding as defined in HB 192 must be undertaken to:

1. Mitigate pollution
2. Enhance the environment
3. Enhance natural resources for the purposes of creating recreational opportunities for the citizens of Delaware.

HB 192 empowers the DNREC Secretary and the Community Involvement Advisory Committee (CIAC) to implement the CEPF grant-making process. The DNREC Secretary is delegated the ultimate decision-making power in CEPF grant-making process. The determination whether a community environmental project lies within the community where an infraction has occurred is left to the discretion of the DNREC Secretary, after his/her consultation with the CIAC.

The CIAC is a Governor- appointed advisory council to the DNREC Secretary. The mission of the Council is to ensure that no community is disparately affected by environmental pollution, and that all Delaware citizens have the opportunity to participate in the programs, services and decision-making of the Department. The CIAC administers the CEPF grant-making process and manages the intake and screening of CEPF applications. The Council makes the final project and funding recommendations to the Secretary.

In 2011, the General Assembly amended HB 192 to strengthen the mandate for grant-making in impacted communities. HB 197 (**Attachment B**) instructs the DNREC Secretary and the CIAC to give first consideration to communities located in airsheds or watersheds which have experienced violations. It requires the Secretary to establish a record of the airshed or watershed where violations have occurred and the location to be considered during the grant process.

In administering the grant making process, the designation of airsheds and watersheds proved to be impractical tools for determining project location. Watersheds are too small. A significant number of the 45 watersheds throughout the state measure than one square mile, too small in area to contain a community. Airsheds are too large. The Chesapeake Airshed encompasses all of Delaware, Michigan, Ohio, West Virginia, and Kentucky.

The “Whole Basin Management” approach employed by the DNREC Division of Watershed Stewardship has established the Drainage Basin as the geographic unit which best allows for coordinated, department-wide environmental management. There are four major Drainage

Basins within the state; the Piedmont, Delaware Bay, Chesapeake Bay and the Inland Bays/Atlantic Ocean.

The DNREC Office of Information Technology has developed the Penalty Deposit Spreadsheet (**Attachment C**) and an online mapping tool to enable applicants to identify the eligible project funding. The Penalty Deposit Spreadsheet and the online mapping tool and CEPF application are all available at:

<http://www.dnrec.delaware.gov/ciac/Pages//CIAC.aspx>

II. Summary Information for Applicants

There are penalty deposits totaling 128,721.25 for the 2014 Community Environmental Project Fund grant cycle. Eligibility has been expanded during the 2014 for the 2014 funding cycle. Traditional non-profit, 501(C)3 organizations are eligible for grants up to \$20,000. Non-profit organizations which do not have tax-exempt status, but have established a **Fiscal Sponsor Agreement** with an IRS Tax Exempt organization are eligible to apply for a maximum grant amount of \$10,000. The application must be submitted by the tax-exempt, 501(C)3, with all of the required supporting documentation.

Each project is required to have a **DNREC Project Sponsor** as a condition for funding. Project Sponsors are DNREC staffs who are subject matter experts on the environmental issue(s) addressed by the project. The DNREC Sponsor will provide technical assistance and oversight of the CEPF project.

A **25% match** of the CEPF project budget in funding, volunteer support, services, or donated supplies is required of all applicants. **Administrative Costs** are prohibited

The **Application Deadline is Friday June 13, 2014 by 4:30 PM on the day of the deadline.** Applications can be submitted by US postal service or emailed electronically to:

Attention: Gail Henderson, CIAC Administrative Support

Office of the Secretary
Department of Natural Resources and Environmental Control
89 Kings Highway
Dover, DE 19901
(302) 739-9000
Gail.Henderson@state.de.us

All applicants are required to make a 10-15 minute **CEPF Presentation the June 24, 2015 Community Involvement Advisory Council meeting.**

III. Information for Applicants

A. Organizational Eligibility

Eligibility for CEPF funding is normally restricted to non-profit organizations with 501(C)3 federal Tax-Exempt Status; civic and community organizations, non-profit organizations, educational institutions, counties, municipal governments, state agencies and quasi-state agencies that represent the community where the infraction(s) or violation(s) occurred that resulted in the civil or administrative penalty.

During the 2014 funding cycle, eligibility has been expanded to include non-profit organizations which do not have tax-exempt but have established a **Fiscal Sponsor Agreement** with an organization that has IRS tax exempt status.

B. Fiscal Sponsorship \$10,000 Limit

A Fiscal Sponsor Agreement refers to a contractual relationship between an organization with tax exempt status and an organization that does not have tax-exempt status. Under terms of the written agreement, the IRS tax-exempt organization has agreed to take on the responsibility for receiving and administering the CEPF funds on behalf of the non-tax-exempt organization.

CEPF applicants seeking funding under terms of a fiscal sponsor must provide a copy of the Fiscal Sponsor Agreement. It must be accompanied with the meeting minutes, a signed letter from Executive Director or Board of Directors to document official approval of the fiscal sponsor arrangement.

The following documentation is required of all applicants and must be included as attachments to the CEPF application:

1. Tax exempt organization IRS Determination Letter
2. Itemized organizational budget for the current fiscal year
3. Audited financial statements
4. IRS form 990
5. List of the 3 largest funders during the last fiscal year
6. Annual report or summary of the last year's activities
7. Current board list and affiliations

C. Project Eligibility Criteria

The CEPF provides funding to environmental projects that are undertaken for the purposes of:

1. **Pollution Mitigation** - Projects should affect elimination, minimize or abate pollution or improve conditions within the environment in order to eliminate or minimize risks to human health.
2. **Environmental Enhancement** - Projects must be designed to enhance natural resources for the purposes of improving indigenous habitats.

- 3. Environmental Enhancement** – To create recreational opportunities of the citizens of Delaware are also eligible.

D. DNREC Project Sponsor

Project Sponsors are DNREC staff with technical expertise on the environmental issue(s) addressed by the project. Their agreement to serve a project sponsor should be obtained in writing

They have agreed to provide technical assistance on the CEPF project, prior to submission of the application. They have the permission of their Program Manager and/or Division Director to participate in the evaluation and monitoring of the CEPF project.

Technical assistance typically includes, but is not limited to:

- Advising the applicant of Best Management Practices (BMP), assuring that CEPF projects make use of environmentally and technically sound approaches.
- Referring applicants to qualified environmental expertise
- Helping applicants to develop a realistic project plan, budget, and timeline for implementation.
- Sharing their knowledge about market prices for vendors, supplies and equipment.
- Identifying appropriate project partners and opportunities for DNREC involvement

The CIAC Grant Review Subcommittee may call upon the Project Sponsor to assist them in the evaluation of the CEPF application.

Project monitoring includes, but is not limited the Project Sponsor's participation in two site visits. :

- 1. Project Implementation Meeting.** The Implementation Meeting is scheduled within 45 days of the grant award. The aims of the meeting are to:
 - Review the CEPF contract and plans for project implementation
 - Identify technical assistance needs.
 - Clarify the reimbursement process and reporting requirements
- 2. The Site Visit.** The Site Visit is scheduled at the project location, approximately midway through the project time line. It involves:
 - Assessment of project implementation
 - Visual tour of the project

Instances of failure to implement the project as planned, or failure to follow Department guidance on issues related to the project can result in additional monitoring visits, or other remedies for non-compliance

E. Matching Funds

The applicant must provide a 25% match of the CEPF project budget in funding, volunteer support, services, or donated supplies.

F. CIAC Presentation

CEPF applicants are required to attend a CIAC meeting to make 10-15 minute presentation of their CEPF project and respond to questions about their project from DNREC staff and CIAC members. The Community Involvement Advisory Council meeting date is June 24, 2014. The time and location will be announced.

G. Description of Eligible and Ineligible Project Costs

Eligible Project Costs

CEPF Funds May Be Used to Cover:

1. Costs for equipment (purchase or rental) supplies, materials and related services required to conduct the project
2. Communication costs directly related to the project.
3. Travel costs related to the project.

Ineligible Project Costs

CEPF Funds May Not Be Used to Cover:

1. Administrative costs and overhead. There is no single accepted definition of overhead that can be applied to every nonprofit organization. These are expenses that are incurred for the general operation of the organization. They include:
 - Liability Insurance for directors, officers and staff
 - Rent
 - Utilities
 - Office Supplies - unless those costs are incurred solely for the CEPF project.
 - Personnel costs for salaried, hourly or contractual staff time.
 - Fringe Benefits
2. Expenses incurred by the fiscal sponsor for administering the grant
3. Costs that are paid for by other funding sources
4. Debts incurred prior to the start date of the project.
5. Legal costs related to participation in an action before a municipal, state or federal court or other agency.
6. Multiple applications from a single organization
7. Lobbying
8. Fundraising
9. Alcoholic beverages

H. Bidding Thresholds for the purchase of goods and services:

Applicants must observe State of Delaware Purchasing Procedures and Bidding Thresholds for the purchase of goods and services:

A. Material and Non-Professional Services

- Less than \$10,000 - Open Market Purchase
- \$10,000 - \$24,999 - 3 Written Quotes
- \$25,000 and over - Formal Bid.

B. Public Works

- Less than \$25,000 - Open Market Purchase
- \$25,000 - \$49,999 - 3 Letter Bids

C. Professional Services

- Less than \$50,000 - Open Market \$50,000 and over - Formal RFP Process

The CEPF Application

A. Cover Sheet

NAME / TITLE		
of the person responsible for project implementation and project reports:		
Address:		
City:	State:	Zip:
Phone:	Fax:	Email:

Project Information

1. Briefly describe your organization's mission, history, and environmental activities in the space provided.

2. What is the nature of your project?

Environmental Enhancement Pollution Mitigation Recreational Opportunities

3. Please provide a brief description of your project in the space provided.

A. Project start date: _____ **B. Project completion date:** _____

4. How much are you requesting from the Community Environmental Project Fund _____?
- A. How will you attain the required 25% match?
5. Please identify your DNREC Project Sponsor. Contact the DNREC Community Ombudsman, if you need assistance at 302-739-9000.
- A. Name: _____
- B. DNREC Division: _____

Organizational Information

6. Are you a tax exempt organization? Please attach the organization's IRS determination letter.

A. Yes No

B. 501C 3 501C 4 Other _____

7. If not tax exempt. Please identify the organization serving as your fiscal sponsor. _____
- A. Please attach the organization's IRS determination letter and a Fiscal Sponsor Agreement.

8. Please attach a signed letter or document authorizing your application for Community Environmental Project Funds.

9. Amount of your current organizational budget: \$_____

10. Percentage of each funding source:

___ Foundation ___ Government ___ Corporate ___ Member Dues ___ Fundraising

___ Other: _____

11. Tell us about your board and staff:

	Total Number	Full Time	Part Time
Staff			
Board of Directors			
Project Committee			
Project Volunteers			

B. Project Narrative

1. Project Title.
2. Please give a brief history of your organization, including why it started, recent activities and accomplishments.
3. Describe the structure of your project team, including staff, board, committees, membership, etc. Explain what groups or individuals are responsible for planning, making decisions and for carrying out the proposed work.
4. What is the environmental issue that your organization is going to address? How does it affect your community? What has your organization identified as the cause of the problem?
5. What is the community and the population that is most affected by the problem. Please identify the drainage basin and geographic boundaries of the community as you define it. Please provide a demographic description of the population (s) most affected.
6. Describe the strategy or approach of your organization to address the problem. Is this a new or innovative approach to addressing the problem? How will this approach address the cause of the problem?
7. Describe how the work will be evaluated.
8. What is your organization's fundraising plan for this project? What other sources of funding have you identified to complete or sustain the project?
9. Start date/End date?
10. Please identify your DNREC Division Sponsor.
11. Please enclose the required attachments:
 - IRS Determination Letter
 - Itemized organizational budget for the current fiscal year
 - Audited financial statements or IRS form 990

- Fiscal sponsor agreement, if applicable
- Grant In Aid Financial statements, if applicable
- List of 3 largest funders during the last fiscal year
- Annual report or summary of the last year's activities
- Current board list and affiliations
- Description of key staff and leadership

C. Project Budget

Penalty Deposit Spreadsheet Instructions

The Online Penalty Deposits Spreadsheet is easy to use. Proceed to the Community Involvement advisory Council Webpage for the Online Penalty Deposit Spreadsheet and mapping tool:

<http://www.dnrec.delaware.gov/ciac/Pages//CIAC.aspx>

- A. Enter the address of your project location, in any format, in the box provided.
- B. Click on “Locate Address.”
- C. Click on “Legend” to open the color-coded map to identify the Drainage Basin in which your project is located.
- D. Click on “Get Sites”. The Penalty Deposit Spreadsheet opens to reveal all of the information that you will need to determine the Penalty Funds for which your project is eligible.
- E. Select the violations that you will claim as Revenue for your project.

11. Please specify the penalties that you are claiming for your project from the penalty spreadsheet.

Order Number	Responsible Party	Location	Drainage Basin	Distance	Revenue
				Total	Total

Project Income/Revenue

Project Income/Revenue	Committed	Pending
1. Community Environmental Penalty Fund		
2. Foundation Support		
3. Federal, State or Local Grants		
4. Corporate Support		
5. Membership Dues/Individual Donations		
6. Program/Service Fees		
7. In – Kind Support		
8. Other Sources (please describe)		
9. Total Income/Revenue		

Project Expenses

Project Expenses	Total Expenses	Expenses Covered by Requested Grant
10. Professional Fees (Contract, Consultant)		
11. Staff		
12. Supplies (Consumable)		
13. Telephone		
14. Meetings/Conferences		
15. Training		
16. Evaluation		
17. Equipment Rental		
18. Miscellaneous Expenses		
19. Total Expenses		

Budget Detail Worksheet

20. Professional Fees – Describe the rate of pay for the professional fees or contract. Attach a copy of your proposed or completed contract.

TOTAL	

21. Consumable Supplies. These include items consumed by use during the course of the project. There are three types of supplies which might appear in your budget: 1. Office supplies. For example, pens, stationary, computer supplies, paper clips etc. 2. Copying Supplies 3. Project-related supplies

List Items	Describe use	Computation	
		TOTAL	

22. Staff – Identify each staff person involved in the project by hours and rate of pay. Please attach a description of their responsibilities for the project.

Name/Position	Hours/Rate of Pay	
		TOTAL

23. Equipment Lease/Rental. Explain how the equipment is necessary for the success of the project.

List Items	Describe Use	Computation	
		TOTAL	

Attachment A

House Bill 192



SPONSOR: Rep. Lavelle & Rep. Smith
& Rep. D. Ennis & Rep. Valihura & Sen.
Henry & Sen. Cloutier; Reps. Booth,
Buckworth, George, Hudson; Sens. Amick,
Connor, Peterson, Simpson

HOUSE OF REPRESENTATIVES

142nd GENERAL ASSEMBLY

HOUSE BILL NO. 192
AS AMENDED BY HOUSE
AMENDMENT NO. 1

AN ACT TO AMEND TITLE 7 OF THE DELAWARE CODE ESTABLISHING A COMMUNITY ENVIRONMENTAL
FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 6005, Title 7 of the Delaware Code, by inserting the phrase "75 percent of" between the words
"or" and "civil" as they appear in subsection (d) thereof.

Section 2. Amend Chapter 60, Title 7 of the Delaware Code, by inserting therein a new § 6041 as follows:

"§ 6041. Civil and Administrative Penalties; Community Environmental Project Fund.

(a) There is hereby established a Community Environmental Project Fund, referred to herein as the "Fund".

The Fund shall be held as a separate account within the Department and may be invested by the State
Treasurer in securities consistent with investment policies established by the Cash Management Policy
Board.

(b) The Fund shall consist of 25 percent of all civil or administrative penalties collected by the Department
pursuant to §§ 4015, 6005, 6617, 7011, 7214, 7906, 9109, or 9111 of this Title. Twenty-five percent of such
civil and administrative penalties are hereby appropriated to the Fund, subject to the requirements of this
section.

(c) Moneys shall be expended from the Fund only for Community Environmental Projects, referred to herein as
"Projects". As used herein the term "Community Environmental Project" means a project that is undertaken
for the purpose of effecting pollution elimination, minimization, or abatement, or improving conditions
within the environment so as to eliminate or minimize risks to human health, or enhancement of natural

resources for the purposes of improving indigenous habitats or the recreational opportunities of the citizens of Delaware. The Secretary may, by regulation, provide for further definition of such Projects.

- (d) The Fund shall be expended on Projects within the same community where the infraction(s) or violation(s) occurred that resulted in the civil or administrative penalty. The determination of whether a proposed Project is within the community where an infraction or violation occurred shall be determined in the reasonable discretion of the Secretary, after consultation with the Community Involvement Advisory Board established under § 8016A of Title 29. No provision of this section shall be construed to require the Department to expend funds from the Fund in the absence of a suitable Project within the community where the violation or infraction occurred. The Secretary may also determine that the requirements of this subsection cannot practicably be met with respect to expenditures from the Fund associated with a penalty from a facility or location because such amount is insufficient or too large to be an appropriate expenditure. The expenditure of funds required under this subsection may be waived by the Secretary, with the concurrence of the Budget Director and Comptroller General.
- (e) In the event that the requirements of this § conflict with applicable federal or State of Delaware requirements pertaining to the establishment and collection of penalties or other assessments by the Department, such requirements shall take precedence over the conflicting requirements of this §.
- (f) The Department shall submit quarterly reports on the progress of the expenditures and/or projects conducted with the Community Environmental Project Fund to the Governor and members of the General Assembly. All of the expenditures made by or on behalf of the Fund, together with an explanation the process utilized for selecting and prioritizing Projects, shall be reported annually to the Joint Finance Committee in the Department's budget presentation."

Section 3. This Act is effective upon its enactment into law. This Act shall not apply to funds collected prior to its effective date.

Attachment B

House Bill 197



SPONSOR: Sen. McBride

DELAWARE STATE SENATE
146th GENERAL ASSEMBLY

SENATE AMENDMENT NO. 1
TO
HOUSE BILL NO. 197

1 AMEND House Bill No. 197 by deleting lines 3 through 10 and substituting in lieu thereof the following:
2 “(d) The Secretary, after consultation with the Community Involvement Advisory Council, shall give priority to
3 Community Environmental Projects which benefit communities that are most impacted by specific infraction(s) or
4 violation(s). Specifically, the Secretary, at his or her discretion, shall determine whether a proposed Project is located
5 within the watershed or airshed adversely affected by a violation or infraction as part of the evaluation process. The
6 Secretary shall ensure that records identify the location of each civil or administrative penalty.”

SYNOPSIS

This Amendment directs the Secretary to give priority to Community Environmental Projects that benefit communities that are impacted by pollution infractions while maintaining his or her discretion in evaluating projects.

Author: Senator McBride

Attachment C
2014 Penalty Deposit Spreadsheet

ORDER NUMBER	RESPONSIBLE PARTY	VIOLATION TYPE	LOCATION	DRAINAGE BASIN	DISTANCE	REVENUE
1	2010-A-0004 Wilkins Fuel Co.	Air Quality Administrative Penalty Order Violations of Underground Storage Tank and Vapor Recovery regulations	700 S. Washington St. Milford, DE 19963	Delaware Bay		\$1,593.00
2	2012-A-0041 Catholic Health East	Air Quality Administrative Penalty Order Regulatory and permit violations involving boiler and generator record keeping.	701 N. Clayton St. Wilmington, DE 19805	Piedmont		\$2,372.00
3	2012-A-0046 DuPont Edgemoor Plant	Air Quality Administrative Penalty Order Permit violation involving the release of particulate matter from baghouse system	104 Hay Road Wilmington, DE 19809	Piedmont		\$1,750.00
4	2012-A-0038 Formosa Plastics Corp.	Air Quality Administrative Penalty Order Regulatory and permit violations involving the release of Hazardous Air Pollutants	780 Schoolhouse Road Delaware City, Delaware, 19706	Delaware Bay		\$15,125.00
5	2012-WH-0044 E.I. DuPont De Nemours & CO. DuPont Performance Polymers	Waste & Hazardous Substances Administrative Penalty Order Violations of DE Regulations Regarding Hazardous Waste (DRGHW)	5 Marrows Road Newark, DE 19714	Piedmont		\$1,925.00

ORDER NUMBER	RESPONSIBLE PARTY	VIOLATION TYPE	LOCATION	DRAINAGE BASIN	DISTANCE	REVENUE
6	Merit Oil of Delaware	Hazardous Wastes Administrative Penalty Order Regulatory and permit violations involving: Financial Responsibility, and Underground Storage Tank Record-Keeping regulations, and construction permit	5801 Kirkwood Hwy 19801	Piedmont		\$3,000.00 (\$750.00)sub
			31 N. DuPont Hwy, Dover 19901	Delaware Bay		(\$750.00)sub
			506 DuPont Hwy, New Castle, DE 19720	Piedmont		(\$750.00)sub
7	Signature Design Homes	Water Resources Sediment and Stormwater Regulations violations	207 S. Market St Wilm. DE 19801	Piedmont		(\$750.00)sub
8	FCC Environmental	Hazardous Waste Administrative Penalty Order Violations of DE Regulations Regarding Hazardous Waste (DRGHW) involving: reporting, storage, transportation of oil drums.	126 Aster Boulevard, New Castle DE 19720 505 S. Market St. Wilmington, DE 19801	Delaware Bay Piedmont		\$2,500.00 \$13,863.00
9	University of Delaware	Hazardous Waste Administrative Penalty Order Violations of DE Regulations Regarding Hazardous Waste (DRGHW)	Georgetown 19947	Inland Bays		\$2,500.00 (\$833.33) sub
			Lewes 19958	Inland Bays		(\$833.33) sub
			Newark 19716	Piedmont		(\$833.33) sub
10	Diamond State Port Corporation	Air Quality Order requiring Diamond State Port Corporation to control emissions at the port	1 Hausel Road, Wilmington, DE 19801	Piedmont		\$12,500.00

ORDER NUMBER	RESPONSIBLE PARTY	VIOLATION TYPE	LOCATION	DISTANCE	REVENUE
11	Royal Pest Control	Air Quality Conciliation Order By Consent Violation of Clean Air Act and Delaware Law Failure to obtain a permit for fumigation at the Port of Wilmington	1 Hausel Road, Wilmington, DE 19801		\$6,250.00
12	Pat's Aircraft	Hazardous Waste Administrative Penalty Assessment Violations of DE Regulations Regarding Hazardous Waste (DRGHW)	21652 Nanticoke Ave Georgetown DE 19947		\$1,250
13	Clean Earth of New Castle, Inc.	Air Quality Failed to submit timely application for Title V. Permit renewal	94 Pyles Lane New castle, DE 19720		\$1,593.75
14	E. I. DuPont De Nemours & CO.	Water Resources Civil Action Violation of Consent Decree involving Storm Water Discharges and National Pollution Discharges Elimination Systems (NPDES)	Edge Moor Plant 104 Hay Road Edge Moor, DE 19809		\$62,500

Drainage Basin Breakout

Piedmont	Delaware Bay	Inland Bays/ Atlantic Ocean
\$105,837.08	\$19,968.00	\$2,916.66

For More Information

<http://www.dnrec.delaware.gov/ciac/Pages/CIAC.aspx>