



**Delaware Water Pollution Control Revolving Fund  
&  
Safe Drinking Water State Revolving Fund**

**Workshop**  
December 7, 2015

DNREC  
OFFICE OF THE SECRETARY  
Environmental Finance

DHSS  
DIVISION OF PUBLIC HEALTH

# Delaware Water Pollution Control Revolving Fund

## Safe Drinking Water Revolving Fund

### Workshop

- Welcome
- Introductions

#### DNREC:

- Terry Deputy, Environmental Finance Administrator
- Greg Pope, Engineer VI
- Reza Moqtaderi, Engineer III
- Kobby Anyinam, Engineer III
- Frank Paquette, Fiscal Management Analyst
- Jan Jenkins, Fiscal Management Analyst
- Robert Burns, Fiscal Analyst
- James Sullivan, Planner
- Laura Rafferty, Administrative Specialist

#### DHSS:

- Heather Warren, Management Analyst III

# Delaware Water Pollution Control Revolving Fund

## Safe Drinking Water Revolving Fund

### Workshop

- Workshop Purpose
  - To provide a detailed overview of the Delaware Water Pollution Control Revolving Fund, and Safe Drinking Water Revolving Fund, more commonly known as the CWSRF and DWSRF Programs
  - To ensure that potential loan applicants understand project assistance eligibilities, program process, and the timing for submitting project assistance requests
  - To be a resource for applicants seeking financial assistance for wastewater, drinking water, stormwater and other water infrastructure improvement projects
- DNREC and DHSS Collaboration
  - The CWSRF and DWSRF programs are jointly administered by DNREC and DHSS
  - Twice per year (January and August) project Notices-of-Intent (NOIs) are jointly solicited for wastewater and drinking water projects
  - Wastewater and Drinking Water NOIs are ranked and scored separately to prepare CWSRF and DWSRF Project Priority Lists (PPLs)

# Delaware Water Pollution Control Revolving Fund

## Safe Drinking Water Revolving Fund

### Workshop

- DNREC and DHSS Collaboration (continued)
  - Projects are selected from the PPLs for funding assistance based on “Readiness to Proceed” (preliminary project planning and design completed in 6 months or less)
  - DHSS is responsible for DWSRF Project Environmental Reviews, and Project Management; DNREC is responsible for DWSRF Program Accounting, Financial Management; and the overall CWSRF Program
  - Borrowers are not required to obtain interim bank financing for CWSRF or DWSRF projects, loan reimbursement requests are normally processed within 30 days
  - A Governor appointed Water Infrastructure Advisory Council is responsible for reviewing PPLs, IUPs, and recommending proposed CWSRF and DWSRF projects for funding assistance

# Delaware Water Pollution Control Revolving Fund

## Safe Drinking Water Revolving Fund

### Workshop

- Clean Water and Drinking Water SRFs
  - 1990 and 1997, respectively, the CWSRF and DWSRF programs were created; federal capitalization grants seed the programs along with separate required twenty percent state matching funds
  - Federal and state seed capital provided to the CWSRF and DWSRF programs as of June 30, 2015 exceeded \$416 million
  - 158 CWSRF and DWSRF municipal and private utility loans have been made for more than \$469 million as of June 30, 2015
  - 1,328 CWSRF loans for Nonpoint Source Projects for more than \$15 million (Homeowner Septic System Replacements; Poultry and Dairy Farm BMPs; Underground Leaking Storage Tank Replacements; and Other Expanded Use Projects)
  - DWSRF grants fund an Operator Certification Program; Capacity Development and Source Water Protection Programs; Underground Injection Control Program; Public Water Supply Supervision Program; and Technical Assistance Programs

# Delaware Water Pollution Control Revolving Fund

## Safe Drinking Water Revolving Fund

### Workshop

- FY 2015 Estimated Available Funds

<u>CWSRF</u>	<u>DWSRF</u>	
\$6,817,000	\$ 8,787,000	FFY 2015 Federal Capitalization Grant
<u>\$1,363,400</u>	<u>\$ 1,757,400</u>	Required 20% State Match
\$8,180,400	\$10,544,400	
\$	\$ 175,740	2% Technical Assistance & Operator Training
\$	\$ 351,480	4% Program Administration
\$ 499,220	\$	1/5% FY 2014 CWSRF Fund Net Position
\$	\$ 878,700	10% Public Water Supply Supervision
<u>\$</u>	<u>\$ 1,318,050</u>	15% Source Water Protection & Capacity Development
\$7,681,180	\$ 7,820,430	Project Loans
\$2,045,100	\$ 2,636,100	30% Principal Loan Forgiveness (Max)
\$ 681,700	\$ -0-	10% Green Project Reserve

- 2% CWSRF – DWSRF Interim Interest Rate Policy for New Loan Applications

## New – State Insurance Requirements of Grantees

- Effective July 1, 2015 – grant recipients are required to have insurance coverage to meet State requirements. The required insurance coverages apply to the following grant programs:
  - Asset Management Development Planning Grants;
  - Project Planning Advances for Wastewater and Drinking Water Projects;
  - Matching Planning Grants for Wastewater, Drinking Water, and Surface Water;
  - Community Water Quality Improvement Grants; and
  - Drinking Water Innovation and Technology Grants.
- Grant applicants should review their existing insurance coverages and determine if they meet State insurance coverage requirements. Applicants will be required to explain in their grant applications any insurance coverage deficiencies and how they will be addressed.
- Certificate of Insurance and/or copies of the insurance policies will be required before a grant agreement is executed.

## New - Insurance Requirements of Grantees

**Grant recipients shall maintain the following insurance during the grant term:**

- Worker's Compensation and Employer's Liability Insurance in accordance with applicable law, and
- Comprehensive General Liability - \$1,000,000.00 per occurrence/\$3,000,000 general aggregate, and
- Medical/Professional Liability - \$1,000,000.00 per occurrence/\$3,000,000 general aggregate; or
- Miscellaneous Errors and Omissions - \$1,000,000.00 per occurrence/\$3,000,000 general aggregate, or
- Product Liability - \$1,000,000.00 per occurrence/\$3,000,000 general aggregate, and
- If required to transport state employees, Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury and \$25,000 as to property damage to others.

# Delaware Water Pollution Control Revolving Fund

## Safe Drinking Water Revolving Fund

### Workshop

- Clean Water Program Update (does not apply to DWSRF Program)
  - June 10, 2014 President Obama signed into law the Water Resources Reform and Development Act (WRRDA)
  - WRRDA amendment changes under Title VI of the Clean Water Act apply to Federal Water Pollution Control Act that created the Clean Water State Revolving Fund (CWSRF) Program
  - During this workshop we will discuss WRRDA amendment changes relative to their impact on potential CWSRF borrowers; and Delaware's plan for implementing new program requirements, and expanded funding eligibilities

# Delaware Water Pollution Control Revolving Fund

## Safe Drinking Water Revolving Fund

### Workshop

#### WRRDA Amendment Changes

- a) Unchanged Previous CWSRF Program Requirements
  - ❑ Environmental Review
  - ❑ Davis-Bacon Wages Rates
  - ❑ American Iron and Steel
  
- b) New Program Requirements
  - ❑ Fiscal Sustainability Plans
  - ❑ A/E Procurement
  - ❑ GAAP Reporting
  - ❑ Cost and Effectiveness
  
- c) Expanded Project Eligibilities
  - ❑ Land Purchases Necessary for Construction
  - ❑ Decentralized Wastewater Systems
  - ❑ Stormwater
  - ❑ Water Conservation, Efficiency, & Reuse

# Delaware Water Pollution Control Revolving Fund Safe Drinking Water Revolving Fund Workshop

## WRRDA Amendment Changes

- c) Expanded Project Eligibilities (continued)
  - ❑ Watershed Projects
  - ❑ Energy Initiatives
  - ❑ Recycled Water & Water Reuse
  - ❑ Security Initiatives
  - ❑ Funding for Nonprofits
  
- d) Affordability Criteria, Additional Subsidization, and Expanded Loan Terms
  - ❑ Affordability Criteria
  - ❑ Additional Subsidization
  - ❑ 30 Year Loan Terms

## Project Priority List (PPL) Process

- Each Fiscal Year the CWSRF and DWSRF programs are required to submit PPLs to EPA
- The process consists of:
  - Notice of Intent – Project Solicitation
  - Ranking of projects
  - Public Hearing and Approval of List by WIAC
  - Approval by EPA
- Only ranked projects will be eligible to apply for CWSRF and DWSRF funding

### Notice of Intent – Project Solicitation

- January and August, applicants are requested to submit Project NOIs for each project – NOIs for the first solicitation are due by **January 29<sup>th</sup>**
- Projects intended to begin in the next 6 years are requested to provide visibility for future funding needs
- NOIs request statistical, environmental, public health, and financial information for each project

## Project Priority List Ranking Criteria

- The criteria are defined by the Standard Operating Procedures for PPLs established by DNREC and DHSS
- Projects are ranked by year of inception and then by number of priority points
- Generally, the highest ranking project should deliver the greatest environmental and public health benefit to the State

I. Water Quality Protection      0-45 points (0-10 bonus)

II. Targeted Waterbodies      0-20 points

III. Clean Water Priorities      0-20 points

IV. State Strategies      0-10 points

V. Green Project Reserve      0-10 points

VI. Sustainability      0-30 points

VII. Land Conservation      0 points (10 bonus)

Total      135 pts      20 bonus

# Project Priority List Ranking Criteria

- **Water Quality Protection – (0 - 45 points)**
- Point Source project - Total pounds of nitrogen plus the total pounds of phosphorus that will be removed from the discharge as result of the project multiplied by a constant - Maximum 45 points

$$\text{Ex: } \frac{(11,400 \text{ \#N} + 1,600 \text{ \#P})/\text{year}}{365\text{d/year}} \times 0.30 \text{ d/\#} = 10.7 \text{ pts}$$

- Plus Bonus pts for ENR: additional point for each 10% of allowable pollution load eliminated by project (up to 10 pts), **or**
- **NEW** - Toxics - For toxic pollutants, the effectiveness of a given project will be rated based on its ability to eliminate or reduce the severity of Delaware fish consumption advisories; eliminate or reduce the severity of toxic impacts to benthic aquatic life; or otherwise attain numeric toxics criteria for the protection of human health and aquatic life in Delaware Water Quality Standards. Points will be determined for effectiveness by multiplying the percent reduction in impact by 0.5 - Maximum 45 Points, **or**
- Non-point source project: receive points based on the published efficiencies of the BMP's. Percent efficiency of the project's BMP multiplied by 45 - Maximum 45 points

# Project Priority List Ranking Criteria

- **Targeted Waterbodies – (0-20 points)**

- If the project:

- Addresses an existing TMDL 20 points
- Addresses a watershed management plan 10 points
- None of the above 0 points

# Project Priority List Ranking Criteria

- **Clean Water Priorities (0-20 points)**

- **Project falls under one of the categories below:**
- Septic System Elimination Project 15 points
- Wastewater Treatment Facilities and CSO's 20 points
- Other Wastewater Project 10 points
- Wastewater project with I&I correction 15 points
- Surface Water Management Project 15 points
- Surface Water Management Project under MS4 permit 20 points
- **NEW** Project that eliminates or reduce toxics (WATAR) 15 points
- **NEW** Project that eliminates or reduce toxics (WATAR) 20 points
  - and implements wetland restoration
- Other Water Quality project (NPS) 10 points

# Project Priority List Ranking Criteria

- **Strategies for State Policies and Spending (0-10 points)**
  - **212 project**
    - Level 1 10 points
    - Level 2 10 points
    - Level 3 5 points
    - Level 4 0 points
    - Out of Play 0 points
  - **Non-point Source (319) Project** 10 points

# Project Priority List Ranking Criteria

- **Green Project Reserve (0-10 points)**
  - **Project meets definition in one of below categories**
  - Green Infrastructure 10 points
  - Water Efficiency 10 points
  - Energy Efficiency 10 points
  - Environmentally Innovative 10 points
  
- **Sustainability (0-10 points)**
  - **Project/System incorporates:**
  - Asset Management Implementation 10 points
  - Full Cost Pricing Standards 10 points
  - **NEW** Climate Change Adaption or Resiliency 10 points
  
- **Sponsorship (10 bonus points)**
  - Land Conservation or Water Quality Improvement Sponsorship 10 points



# DWSRF Project Priority List Ranking Criteria

Population:

- 0-10,000
- 10,000+

Type:

- Municipal
- Other Community
- Non-Profit NTNC
- Non-Profit TNC

### 3. Regionalization

Is the Applicant providing water to a non-complying water system?

- yes
- no

Please Describe:

Points Allowed    Points Awarded

**50**

Is the Applicant providing water to an area of existing private wells with water quality deficiencies?

- yes
- no

Please Describe:

**50**

Will the project result in consolidation of complying water systems?

- yes
- no

Please Describe:

**70**

Will the project result in an interconnection with another water system?

- yes
- no

**30**





# DWSRF Project Priority List Ranking Criteria

Points Allowed    Points Awarded

## 6. Distribution

100

Indicate all distribution upgrades below:

- Inadequate intake (surface water only)
- Failing transmission mains
- Failing distribution mains
- Meter installation
- Meter replacement
- Hydrant installation
- Hydrant replacement
- Valve installation
- Valve replacement
- Other (Please describe)

## 7. Source

100

Indicate all source upgrades below:

- Inadequate source
- Replacement of contaminated source
- Other (Please describe)





# DWSRF Project Priority List Ranking Criteria

DWSRF Affordability Criteria and 100 points for the project being considered unaffordable.

\*will depend on WIAC approval on 12/9

Breakdown of points by each section

Additional EPA-recommended Sustainability questions (and points awarded):

- Is the project the result of the applicants' Asset Management plan?
- Does this project consider other relevant community sustainability priorities from other sectors such as transportation or housing?
- Does this project make use of technologies and practices to reduce energy and/or water consumption or use renewable energy?
- Does this project reduce the vulnerability of the infrastructure from extreme events and increase resilience to future events?



# Environmental Review Process

- Environmental review determinations and their frequency (Unchanged WRRDA Requirement)
  - Categorical Exclusion (CE) - occasionally
  - Finding of No Significant Impact (FONSI) – most common determination
  - Environmental Impact Statement (EIS) – rare
- Categorical Exclusion (CE)
  - i.e. rehabilitation & replacements of existing facilities, minor upgrades or expansion of existing facilities, minor extensions within previous disturbed right-of-ways
  - Issue a CE and legal notice with 30 day comment period
  - If no issues, CE stands as issued
- Finding of No Significant Impact (FONSI)
  - i.e. facilities to create new discharges to surface or ground waters, facility capacity to serve greater than 30% of existing population, action expected to have impacts
  - Issue a draft FONSI to stakeholders and issue a legal notice.
  - Allow a 30 day comment period
  - Mitigation of any environmental issues
  - Issue FONSI

## **Environmental Review Process**

- Environmental Impact Statement (EIS)
  - Required when project is determined to have significant impacts or is highly controversial
  - Extremely rigorous process required to issue an EIS

## **Unchanged WRRDA Program Requirements**

- Davis-Bacon Wage Rates
- American Iron and Steel

## **New WRRDA Program Requirements**

- Fiscal Sustainability Plans
- A/E Procurement
- GAAP Reporting
- Cost and Effectiveness

# New WRRDA Program Requirements

## Fiscal Sustainability Plans (FSPs)

- Applies to proposed treatment works for Repair, Replacement, or Expansion
- Development of FSPs are eligible for CWSRF loan assistance
- Requires loan recipients to Develop and Implement Plans that include:
  1. an inventory of critical assets that are a part of the treatment works;
  2. an evaluation of the condition and performance of inventoried assets or asset groupings;
  3. a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
  4. a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities; or
  5. certify that the recipient has developed and implemented a plan that meets the requirements of 1 through 4 above
- Effective date of the FSP requirement was October 1, 2014 and will apply to FY 2015 Project Notices-of-Intent (NOIs)
- Does not apply to New Treatment Works (unless demolition and replacement), or Upgrades for Advance Treatment

# New WRRDA Program Requirements

## Fiscal Sustainability Plans (FSPs)

- Borrowers will be allowed to phase-in FSPs in relation to the proposed project to be financed
  1. an inventory of Closely Associated critical assets that are a part of the treatment works;
  2. an evaluation of the condition and performance of Closely Associated inventoried assets or asset groupings;
  3. a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan If Applicable to the Project; and
  4. a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities In Relation to the Project; or
  5. certify that the recipient has developed and implemented a plan that meets the requirements of 1 through 4 above
- FSPs must be developed before the project has been completed,
- Borrowers that self-certify that they have already met FSP requirements, and have a plan and system in place must do so at loan closing

# New WRRDA Program Requirements

## Architectural / Engineering (A/E) Procurement

- A contract to be carried out using funds directly made available by a capitalization grant for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services shall be negotiated in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40, United States Code
- Applies to A/E contracts associated with projects in an amount equal to the capitalization grant (equivalency projects)
- Applies to new solicitations, significant contractual amendments and contract renewals
- Effective with the FY2015 capitalization grant
- Applies to project A/E contracts that have been signed on or after October 1, 2014
- Equivalency projects must be identified on the 2015 CWSRF Intended Use Plan (IUP)

# New WRRDA Program Requirements

## Architectural / Engineering (A/E) Procurement

- 5 key elements of A/E Procurement requirements must be met:
  1. Public announcement of the solicitation (e.g., Request For Qualifications);
  2. Evaluation and ranking of submitted qualifications based on established, publicly available criteria;
  3. Discussion with at least 3 firms to consider anticipated concepts and compare alternative methods;
  4. Selection of at least 3 firms considered to be most qualified; and
  5. Contract negotiation with the most qualified firm to determine compensation that is fair/reasonable based on project scope and complexity
    - In the event a contract cannot be negotiated with the most qualified firm, negotiation continues in order of qualification

# New WRRDA Program Requirements

## Generally Accepted Accounting Practices (GAAP) Requirement

- Loan recipients are required to maintain CWSRF project accounts in accordance with generally accepted government accounting standards, including standards relating to the reporting of infrastructure assets
- Requirement Effective Date: October 1, 2014
- Since 1990, loan recipients have been required to maintain project accounts in accordance with generally accepted government accounting standards; accounts must be maintained separately
- In 1999, the General Accounting Standards Board (GASB) issued Statement No. 34 which includes methodologies for reporting on and depreciating infrastructure and capital assets
- It is likely that all current CWSRF borrowers are already complying with this requirement

# New WRRDA Program Requirements

## Cost and Effectiveness Requirement

- Municipalities or Intermunicipal, Interstate, or State Agencies loan recipients must certify that they have:
  - studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought; and
  - selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account:
    1. the cost of constructing the project or activity;
    2. the cost of operating and maintaining the project or activity over the life of the project or activity; and
    3. the cost of replacing the project or activity;
- Requirement Effective Date: October 1, 2015 (will apply to NOIs received in Jan 2015)

## On-going Program Requirements

- Super Cross – Cutters
  - EO 11246 Equal Employment Opportunity – non- discrimination based on race, color, religion, sex, or national origin
  - Requirement for Certification of Non-segregated Facilities
  - Civil Rights Act of 1964
  - Rehabilitation Act of 1973
- Delaware Prevailing Wage Regulations
- DBE (formerly MBE/WBE) – Applies only to Equivalency Projects
- Compliance with Section 306 of the Clean Air Act and Section 508 of the Clean Water Act
- Suspension and Debarment and other responsibility matters
- Project Sign
- Access to Project Site by DNREC and USEPA

## Project Bid Process

- All plans and specifications must be reviewed and approved by program staff prior to advertisement
- Mandatory Pre-Bid meeting must be held to explain program requirements to potential bidders at least 15 days prior to bid opening
- Project is bid for a minimum of 30 days
- Sealed bids are received and shall be opened publicly and be read aloud at the time and place designated

## Contract Award Process

- Bids are tabulated and the contract is awarded to the responsive low bidder
  - Bid Package submitted for approval must contain:
    - Bid tabulation
    - Certification of all Bonds
    - Certification that all easements have been obtained
    - Submission of required DBE documents
    - Other document as required
- Schedule and conduct a Pre-construction conference

## Construction and Inspection

- Monthly progress meetings must to be held
- Interim inspections will be conducted by the CWSRF and/or DWSRF project engineer to ensure compliance with the program requirements
- Any significant project delays or issues must be disclosed to the project engineer

## Questions??

## Financial Review

- Applicant Overview
- Project Overview
- Review of Annual Reports and Financial Statements
- Review of Wastewater and/or Drinking Water User Charge Systems
- Analysis of Existing and Proposed System Costs
- Analyses of Proposed Project Impact on Residential Users Rates
- Analysis of User Charge Affordability – 1.5% / 2.0% (combined) of MHI
- Financial Assistance Recommendation / Presentation to WIAC

# Binding Loan Commitment, Loan Agreement, & Closing Process

- Binding Loan Commitment Letter
  - Commitment of Fund resources for proposed project (borrower can solicit project construction bids)
  - project description,
  - loan amount,
  - loan terms, and
  - estimated timing (120 days) to close the loan
- Loan Closing
  - After Project Construction Bids are Solicited and Accepted by Borrower
  - Legal Counsel
  - Loan Closing Expense for Borrower and Fund
  - General Obligation Bond or Revenue Bond—sets forth loan terms
  - Financing Agreement—describes project, operation of system, special covenants

## Loan Reimbursement and Repayment Process

- Loan Reimbursement
  - Eligible project expenses must be incurred but not required to be paid in advance
  - Reimbursement draw requisition form must be used
  - Copies of supporting project expenses included with draw request
  - Loan expenses reimbursed in 30 days or less
- Loan Repayment Process (depending on loan agreement)
  - Interest only payments during project construction
  - Amortized loan (principal and interest) repayment are due 6 to 12 months after projects completion

## Final Disbursement and Initiation of Operations

- Upon substantial completion and release of any retainage, recipients submit for final disbursement
- Project engineer will ensure that the program requirements are met and that all specifications have been followed
- Depending on the terms of the loan, the project may go into repayment immediately or after six month to one year from initiation of operations

## Questions??

## WRRDA – Expanded Funding Eligibilities

- **Land Purchases Necessary for Construction** - The definition of treatment works has been expanded to include land necessary for construction, eligible expenses now include:
  - Leasing or fee-simple purchase of land
  - Surface and subsurface easements
  - Land required to store equipment and materials during construction
  - Land required to locate eligible treatment or distribution/collection projects
  - Land for effluent application or recharge basins
- **Decentralized Systems** - for the construction, repair, or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
  - Decentralized projects do not need to correct an existing NPS problem
  - Decentralized systems for new construction may now be funded, either individual or cluster on-site systems
  - Decentralized systems may be publicly or privately owned; they may serve either public or private purposes
  - Decentralized systems considered “treatment works” must comply with Davis-Bacon, AIS, and Environmental Review requirements

## WRRDA – Expanded Funding Eligibilities

- **Stormwater Eligibilities** - for measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water
  - Eligible as an independent authority (does not need to be included in State 319 Plan)
  - Privately owned, permitted stormwater projects can now be funded including urban stormwater projects in MS4 areas
- **Water Conservation, Efficiency, & Reuse** - for any municipality or intermunicipal, interstate, or State Agency for measures to reduce the demand for publicly owned treatment works capacity through water conservation, efficiency, or reuse
  - Only the specified public entities are eligible for assistance for this project type; however the project may take place on public or private property as long as it reduces demand for POTW capacity
- **Watershed Projects** - for the development and implementation of watershed projects
  - Watershed management of wet weather discharge - management of municipal combined sewer overflows, sanitary sewer overflows, and stormwater discharges, on an integrated watershed or subwatershed basis

# WRRDA – Expanded Funding Eligibilities

- **Energy Initiative** - for any municipality or intermunicipal, interstate, or State Agency for measures to reduce the energy consumption needs for publicly owned treatment works
  - Projects to reduce the energy consumption needs for POTWs are eligible
  - Projects may take place on public or private property
- **Recycled Water & Water Reuse** - for reusing or recycling wastewater, stormwater, or subsurface drainage water
  - Reuse projects free of Section 212 ownership restrictions
  - Privately-owned, water reuse treatment plants
- **Security Initiative** - for measures to increase the security of publicly owned treatment works
- **Funding for Nonprofits** – for any qualified nonprofit entity to provide assistance to owners and operators of small and medium publicly owned treatment works
  - to plan, develop, and obtain financing for eligible projects including planning, design, and associated preconstruction activities; and
  - to assist such treatment works in achieving compliance

## Questions??

## WRRDA – Expanded Funding Eligibilities

- **Watershed Planning** - for the development and implementation of watershed projects
  - Watershed partnerships - Efforts of municipalities and property owners to demonstrate cooperative ways to address nonpoint sources of pollution to reduce adverse impacts on water quality
  - Integrated water resources planning - development of an integrated water resource plan for the coordinated management and protection of surface water, ground water, and stormwater resources on a watershed or subwatershed basis
  - Stormwater management planning - development of a municipality-wide plan that identifies the most effective placement of stormwater technologies and management approaches, to reduce water quality impairments from stormwater on a municipality-wide basis
  - Stormwater Best Management Practices - control of pollutants from municipal separate storm sewer systems for the purpose of demonstrating and determining controls that are cost-effective and that use innovative technologies to manage, reduce, treat, recapture, or reuse municipal stormwater
  - Weather/climate-related resilience planning - efforts to assess future risks and vulnerabilities of publicly owned treatment works to manmade or natural disasters, including extreme weather events and sea-level rise, and to carry out measures, on a system-wide or area-wide basis, to increase the resiliency of publicly owned treatment works

# WRRDA – Affordability Criteria, Additional Subsidization, and Expanded Loan Terms

- **Affordability Criteria** - By September 30, 2015, and after providing notice and an opportunity for public comment, states shall establish affordability criteria to assist in identifying municipalities that would experience a significant hardship raising the revenue necessary to finance wastewater projects.
  - Affordability criteria developed by states shall be based on:
    - Income,
    - Unemployment Data,
    - Population Trends, and
    - Other data determined relevant by states
  - Proposed affordability criteria for Delaware may be based on the following, which will be incorporated into the Draft 2015 CWSRF Intended Use Plan for public review and comment
    - Income – 1.5% of Median Household Income (MHI) will be considered affordable for wastewater and drinking water residential user rates; 2.0% of MHI will be considered affordable for combined wastewater and drinking water residential user rates

# WRRDA – Affordability Criteria, Additional Subsidization, and Expanded Loan Terms

## Affordability Criteria:

- Unemployment Data – Non payment of residential wastewater and drinking water utility bills are normally directly associated with insufficient income and unemployment
  - Residential utility bill delinquency rates will be used as a proxy measure for unemployment
  - 5% residential utility delinquency rate will be assumed for both wastewater and drinking water when evaluating CWSRF loan applications for assistance
  - CWSRF loan applicants will be required to provide additional documentation to support a residential delinquency rate above 5%
  
- Population Trends – Wastewater utilities can be negatively impacted by decreasing population in relation to fixed assets and expenses that were designed/sized to service a larger customer base. The estimated number of Equivalent Dwelling Units (EDUs; 1 household = 1 EDU) served by a wastewater utility will be used as a proxy measure for population trends
  - CWSRF loan applicants negatively impacted by decreasing number of EDUs served in relation to their proposed project(s) will be required to provide documentation to receive a systems revenue credit that cannot exceed the difference in the number of EDUs served over the past 5 years

## WRRDA – Affordability Criteria, Additional Subsidization, and Expanded Loan Terms

- **Additional Subsidization** – A state may provide additional subsidization to a municipality or intermunicipal, interstate, or state agency, including forgiveness of principal and 0% interest loans to benefit a municipality
  - That meets the affordability criteria of the state established; or
  - Does not meet the affordability criteria of the state if the recipient:
    - seeks additional subsidization to benefit individual ratepayers in the residential user rate class;
    - demonstrates to the state that such ratepayers will experience a significant hardship from the increase in rates necessary to finance the project or activity for which assistance is sought; and
    - ensures, as part of an assistance agreement between the state and the recipient, that the additional subsidization provided will be directed through a user charge rate system (or other appropriate method) to such ratepayers; or
  - To implement a process, material, technique, or technology
    - to address water-efficiency goals;
    - to address energy-efficiency goals;
    - to mitigate stormwater runoff; or
    - to encourage sustainable project planning, design, and construction

# WRRDA – Affordability Criteria, Additional Subsidization, and Expanded Loan Terms

- **Additional Subsidization** – (continued)
  - Permanent authority; applies to FY2015 capitalization grant awards from and later appropriations
  - Additional subsidization may only be provided if the total amount appropriated for capitalization grants nationally exceeds \$1 billion
  - Maximum amount varies from year to year but cannot exceed 30% of capitalization grant award
  - There are no minimum subsidy requirements; a state could provide \$0
  - Eligibility - public entities only, however, pass-through is allowable
  - Proposed plan for Delaware – Additional subsidization for CWSRF projects will be provided in the following priority order:
    1. CWSRF PPL Ranking, Project Readiness To Proceed, and Affordability Criteria
    2. To help incentivize efficiency projects: Water, Energy, and Stormwater
    3. To help facilitate Watershed Planning

# WRRDA – Affordability Criteria, Additional Subsidization, and Expanded Loan Terms

- **Expanded Loan Terms** – CWSRF loans are made at or below market interest rates, including interest free loans, at terms not to exceed the lesser of 30 years and the projected useful life
  - Annual principal and interest loan repayments must commence not later than one year after projects completion, and loans must be fully amortized upon the expiration of the term of the loan
  - Existing loans can be restructured with a longer maturity if the useful life allows
    - 20 year loan with 10 years remaining can be restructured to add 20 years (30 years total) if the useful life is 30 years or more
  - Timing: New or restructured loan agreements signed on or after October 1, 2014
  - 30 year loans are not limited to specific entities such as disadvantage or affordability
  - Proposed plan for Delaware – Proposed loan terms will be structured based on the priorities of DNREC, CWSRF Fund, and WIAC recommendations. However, as a standard municipal/private loans:
    - $\leq$  \$250,00 loan term  $\leq$  5 years;
    - $\leq$  \$500,000 loan term  $\leq$  10 years;
    - $\geq$  \$501,000 loan term  $\leq$  20 years; and
    - 30 year term reserved to help make municipal loans affordable; loan restructuring due to affordability; and DNREC/WIAC recommended incentivized projects

# Public Wastewater and Drinking Water Utilities Asset Management Program & Incentives

## What is Asset Management?

- Asset management is the practice of managing infrastructure capital assets to minimize the total cost of ownership and operations, while delivering the service level customers desire.
- Asset management can:
  - open communications between utility system staff and decision makers,
  - help move utilities from crisis management to informed decision making,
  - facilitate more efficient and focused system operations; and
  - improve financial management to make the best use of limited resources.
- Asset management is a framework widely adopted as a means to pursue and achieve sustainable infrastructure.
- An asset management plan serves as a tool to record all utility practices and strategies.

## Why Adopt An Asset Management Plan?

- Utilities that implement asset management plans develop:
  - detailed asset inventories,
  - perform operation and maintenance tasks,

# Public Wastewater and Drinking Water Utilities Asset Management Program & Incentives

## Why Adopt An Asset Management Plan?

- Utilities that implement asset management plans develop:
  - long-range financial planning; and
  - undertake other activities to build system capacity.
- Asset management can have numerous benefits to a system, including, but not limited to:
  - prolonging asset life,
  - meeting customer demands,
  - help to ensure proper rate setting and budget planning, and
  - meeting regulatory requirements and improving response to emergencies.

## Core Components of an Asset Management Plan:

1. Asset Inventory
2. Level of Service
3. Critical Assets
4. Revenue Structure
5. Capital Improvement Project Plan

# Public Wastewater and Drinking Water Utilities Asset Management Program & Incentives

## 1) Asset Inventory

- What do I own?
- Where is it?
- What condition is it in?
- What is its remaining useful life?
- What is its value?

## 2) Level of Service

- Level of Service (LOS) defines the way stakeholders want the utility to perform long term
  - What is the LOS goal for health, safety, and security?
  - How often is the system out of compliance with regulations?
  - Are the operators properly certified?
  - How does the utility stay aware of and prepare for new regulations?

## 3) Critical Assets

- Assets or types of assets may be critical in one location, but not critical in another. A utility must examine its assets carefully to determine which assets are critical and why.
- Determining asset criticality, what is the Probability of Failure (POF); and what is the Consequence of Failure (COF)

# Public Wastewater and Drinking Water Utilities Asset Management Program & Incentives

## **4) Revenue Structure**

- Rate Methodology - rate setting methodology is a tool to determine rates and charges that will provide sufficient revenues to cover operation, maintenance, replacement, capital improvement projects, and debt costs.
  - billable flow methodology
  - readiness to serve or fixed charge methodology
  - fixed and variable methodology
- Replacement - rate methodology should also include a replacement breakdown

## **5) Capital Improvement Project Plan**

- A long-term Capital Improvement Plan (CIP) should look at the utility's needs for the future. Ideally, the planning period would be at least 20 years, with a minimum of 5 years
- Identification of desired projects and their anticipated cost; and date to initiate projects

# Public Wastewater and Drinking Water Utilities Asset Management Program & Incentives

## **Requirements for Asset Management Incentives:**

- Must be a Publicly-Owned Wastewater or Drinking Water Utility
- Governing Municipal Government must sign a five year agreement with DNREC to develop and implement a system-wide Asset Management Plan based on the following core components:
  1. Asset Inventory
  2. Level of Service
  3. Critical Assets
  4. Revenue Structure
  5. Capital Improvement Project Plan
- Municipality may contract with consulting firm following their own procurement procedures, however, scope must be approved by DNREC prior to solicitation

## **Incentive Programs:**

- No cash match required for up to \$100,000 municipal planning grant to develop and implement an Asset Management program
- Up to one-half of the interest paid on new CWSRF and DWSRF loans will be rebated back for up to five years
- The amount of the annual loan interest rebate cannot exceed an agreed upon annual budget for developing and implementing an Asset Management Plan

# Public Wastewater and Drinking Water Utilities Asset Management Program & Incentives

## Incentive Programs (continued):

- Required to annually submit updated Asset Management Plans, Implementation Plans, and Estimated Budgets to receive annual loan interest rebates
- Annual loan interest rebates can be used to help phase-in residential user rate increases, pay expenses associated with implementing an Asset Management Plan, or any other wastewater utility related expense

## CWSRF and DWSRF Loan Interest Rebate Example:

	Loan 1, Year 1	Loan 2, Year 2	Loan 3, Year 3	Loan 4, Year 4	Loan 5, Year 5	Totals
Loan Amount:	\$1,000,000	\$800,000	\$1,500,000	\$500,000	2,000,000	\$5,800,000
Loan Term (years):	20	20	20	20	20	
Interest Rate:	2.0%	2.5%	3.0%	3.5%	3.5%	
Annual Loan D/S Payment:	\$61,157	\$51,318	\$100,824	\$35,181	\$140,722	\$389,201
Total Loan Interest Rebate:	\$45,801	\$45,986	\$103,871	\$40,546	\$162,183	\$398,387
Year 1	\$10,000					\$10,000
Year 2	\$9,588	\$10,000				\$19,588
Year 3	\$9,169	\$9,609	\$22,500			\$41,277
Year 4	\$8,740	\$9,207	\$21,663	\$8,750		\$48,360
Year 5	\$8,304	\$8,796	\$20,800	\$8,441	\$35,000	\$81,340
		\$8,374	\$19,912	\$8,120	\$33,762	\$70,169
			\$18,997	\$7,789	\$32,481	\$59,267
				\$7,446	\$31,156	\$38,601
					\$29,783	\$29,783

## Project Planning Advances

- Project Planning Advances are designed to assist municipalities with the preparation of Preliminary Engineering Reports (PERs), and Environmental Information Documents (EIDs) that will directly lead to new CWSRF and DWSRF projects and loans.
- Funding Allocation: \$600,000 for wastewater and surface water projects; and \$300,000 for drinking water projects.
- \$100,000 to complete a project PER and EID within one year. PERs are not required for DWSRF projects.
- After a PER and/or EID have been completed, a municipality must submit a CWSRF or DWSRF Project Notice-of-Intent (NOI) for the proposed project.
- 50% of a Project Planning Advance will be principally forgiven after a PER and/or EID have been completed, and 50% will be funded from loan proceeds after the proposed associated CWSRF or DWSRF loan has closed.
- If a public referendum for a proposed SRF project/loan fails to pass, a municipality is required to submit referendum outcome documentation. In the case of a failed public referendum 100% of the Project Planning Advance will be principally forgiven.
- Open solicitation – municipalities can submit Project Planning Advance Applications at any time; two per year limit.

# Wastewater Facility Planning Matching Grants

- Wastewater Facility Planning Matching Grants are set asides in the CWSRF Non-Federal Administrative Account.
- The program is designed to assist municipal and county wastewater utilities relative to determining infrastructure needs and conducting feasibility studies.
- Funding can be used to assist with wastewater planning in general, and for specific project planning and designs necessary to submit a loan application to the WPCRF for funding consideration.
  - \$200,000 was allocated for the program
  - \$ 50,000 per application, and \$100,000 annual cap per municipality
  - 50% cash match required
  - Grant will be open February, May, August and November as allocated balances allow.
  - Insurance requirements. If your current insurance does not meet the requirements, please explain in your submittal how any deficiencies in the required insurance coverages will be handled.
- Applications may be accepted in late February if additional funding is secured.

## Drinking Water Facility Planning Matching Grants

- Drinking Facility Planning Matching Grants are patterned after the Wastewater Matching Planning Grant Program, funded from the DWSRF Non-Federal Administrative Account.
- The program is designed to assist municipal and county drinking water utilities relative to determining infrastructure needs and conducting feasibility studies.
- Funding can be used to assist with drinking water planning in general, and for specific project planning and designs necessary to submit a loan application for DWSRF funding consideration.
  - \$200,000 was allocated for the program
  - \$ 50,000 per application, and \$100,000 annual cap per municipality
  - 50% cash match required
  - Grant will be open February, May, August and November as allocated balances allow.
  - Insurance requirements. If your current insurance does not meet the requirements, please explain in your submittal how any deficiencies in the required insurance coverages will be handled.
- Applications may be accepted in late February if additional funding is secured.

## Surface Water Matching Planning Grants

- The Water Infrastructure Advisory Council developed the Surface Water Matching Planning Grant Program to support surface water improvement projects and activities that focus on the developed landscape to improve water quality in impaired watersheds in Delaware. These grants are intended for planning/preliminary engineering/feasibility analysis of stormwater retrofits, green technology practices, stream and wetland restoration projects, small watershed studies, development of master surface water and drainage plans, and other point and non-point source water pollution control projects.
- State agencies, counties and municipalities are eligible to apply for a Surface Water Matching Planning Grant
  - \$200,000 was allocated for the program with a \$50,000 grant award cap.
  - The annual award cap is \$100,000.
  - Cash matching funds are required.
  - Grant will be open February, May, August and November as allocated balances allow.
  - Insurance requirements. If your current insurance does not meet the requirements, please explain in your submittal how any deficiencies in the required insurance coverages will be handled.
- Applications may be accepted in late February if additional funding is secured.

## Surface Water Matching Planning Grants

- Grants were awarded in prior funding cycles to:
  - County-wide planning for Stormwater District in Kent County
  - Water Quality Improvement Project – Tar Ditch for the City of Dover
  - Stormwater Utility Feasibility Study for the City of Dover
  - Modeling of the South Wilmington Wetland Park for the City of Wilmington
  - Stormwater retrofits of Harmony Woods/Harbor Club Apartment for the NCCD
  - Munchy Branch Watershed Study for the Sussex Conservation District
  - Master Surface Water and Drainage Plan for the City of Newark
  - Stormwater Infrastructure Study for the Town of Dagsboro
  - Stormwater Infrastructure Study for the Town of Frankford
  - Stormwater Infrastructure Inventory for the Town of Fenwick Island
  - Stormwater retrofits on West Dagsboro Street in the Town of Fenwick Island
  - Stormwater retrofits in the Town of Bethel
  - Stormwater Infrastructure Study for the Town of Dewey Beach
  - Stormwater retrofits for Oak Crest Farms subdivision to meet Inland Bays TMDL
  - Stormwater Infrastructure Study for the City of Lewes
  - Stormwater Infrastructure Study for the City of Rehoboth
  - Master Plan for Retrofits on the Georgetown-Vaughn Tax Ditch in Georgetown

## Community Water Quality Improvement Grants

- Community Water Quality Improvement Grants that will support water quality improvement projects in impaired Delaware watersheds will be available from the Water Infrastructure Advisory Council. Competitive grant proposals should focus on the developed landscape to improve water quality and address one or more of the following goals:
  - Provide benefits to water quality within an impaired watershed,
  - How does this proposal demonstrate innovative or environmentally beneficial science?
  - Implementation of non-regulatory projects listed in a watershed management plan,
  - Installation of community stormwater management improvements in existing developments and municipalities,
  - Restoration of water quality benefits.
- Applicants may be any Delaware non-profit organization, community organization, and/or homeowner's association, or Conservation District.
- Ag Operations and for profit firms are not eligible, however, cooperative arrangements with eligible applicants are acceptable

## Community Water Quality Improvement Grants

- 75% of grant award must be used for project implementation, 25% can be used for administration
- 25% cash match is required. Federal, state, and local cash are acceptable. In-kind services do not count as cash match however they would help the proposal score higher.
- Projects required by enforcement, punitive requirements, regulation, required mitigation, agricultural practices are not eligible. Projects that exceed regulatory require (except Ag) are acceptable.
- Programs and projects selected will demonstrate innovative and/or environmentally beneficial and sustainable methods, techniques, and/or practices for water quality improvements with cost effective and measurable results.
- \$350,000 was available for FY 2016.
- \$25,000 minimum grant with a \$75,000 per grant cap.
- Insurance requirements. If your current insurance does not meet the requirements, please explain in your submittal how any deficiencies in the required insurance coverages will be handled.
- Depending on available balance, additional proposals may be accepted in March 2016.

# Drinking Water Innovation and Technology Grant

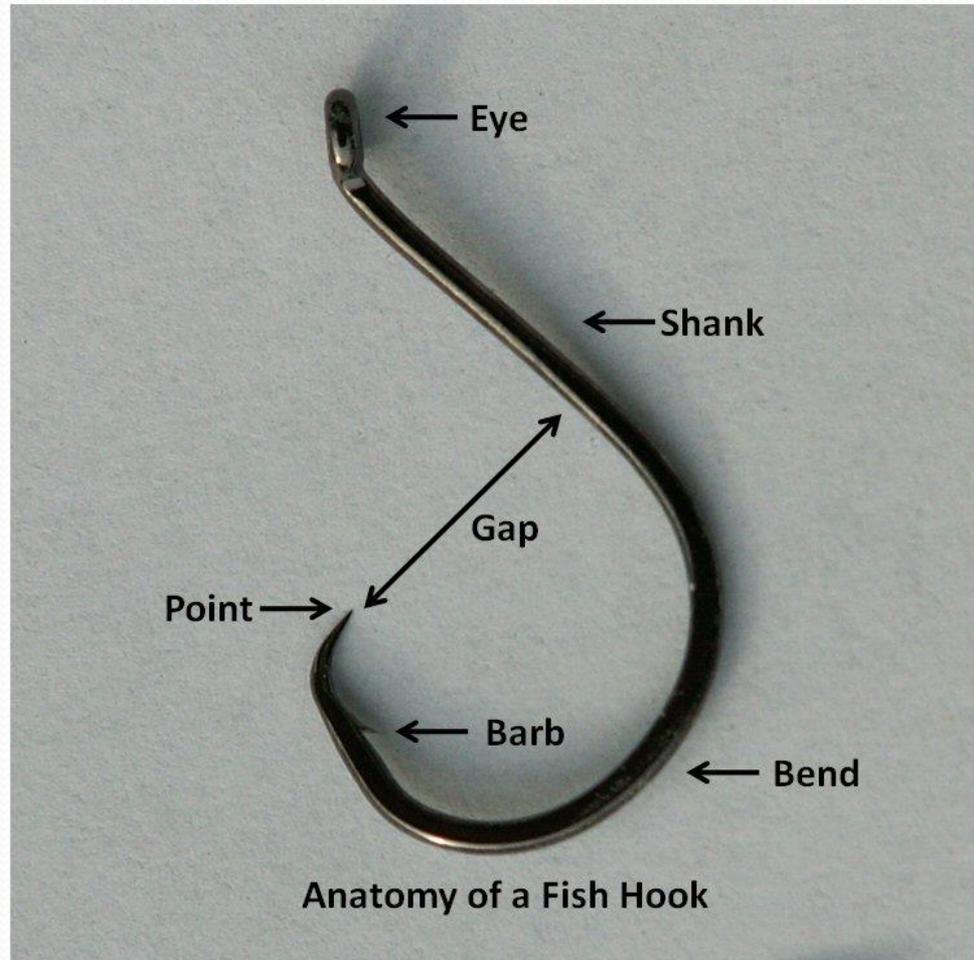
WIAC Proposal April 15, 2015

Approved by DW Sub-Committee on March 27, 2015

# I&T Grant

- \$50,000 per county with no match
- One recipient per county
- \$150,000 total per year from the Non-Fed Admin Account
- DW Sub-Committee will determine recipient based on quality of applications
- All awarded funds must be utilized only for purposes specified by the application

# I&T Grant—What's the Catch?



# I&T Grant

- The project would be a pilot; therefore the recipients must be willing to share: success, information gained, processes, barriers, etc. with all public water systems via the DHSS website with exclusion of personnel and other sensitive material
- Recipient must be willing to present findings to WIAC within one year of grant award

# I&T Grant

- The project must be innovative or use cutting-edge technology in the drinking water industry
- This should include non-traditional water projects ie: cybersecurity, sonar and echo technology, etc.
- There should be no duplication of effort; ie: similar projects should not be funded

# I&T Grant

- The recipients must be willing to allow for and promote on-site visits from other drinking water systems
- The recipients must be willing to solicit and encourage participation with middle or high school STEM (Science, Technology, Engineering, Math) groups

# I&T Grant

- Grant administration will mirror the existing DW Matching Planning Grant
- Applications will be due on October 1
- Guidelines will be based on the DW Matching Planning Grant, but will be amended to best reflect discussion herein

**DEPARTMENT OF NATURAL RESOURCES  
AND  
ENVIRONMENTAL CONTROL**

**Delaware Water Pollution Control Revolving Fund**

**Land Conservation Loan Program**

**And**

**Water Quality Improvement Loan Program**

**Overview for Potential Project Sponsors**

OFFICE OF THE SECRETARY  
Environmental Finance

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

- Land Conservation Loan Program (LCLP)
  - The LCLP is an innovative financing approach to fund land conservation easements and fee simple land purchases with WPCRFR municipal loans
    - Five-year pilot program (up to \$5 million per year – subject to availability)
    - Municipal wastewater project must be on the WPCRFR Project Priority List (PPL)
    - Municipal LCLP project sponsors must enter into a Sponsorship Agreement with the Delaware Department of Agriculture (DDA) or DNREC 's Division of Park and Recreation, or Division of Fish and Wildlife
    - LCLP project must have demonstrated water quality improvement benefits and be managed in perpetuity
    - Loan debt service payments for both the wastewater and LCLP projects will be equal to wastewater project by itself for the term of the loan
  - The DDA's Delaware Agricultural Land Preservation Foundation is authorized to establish criteria for Forestland and Agricultural Preservation Areas and purchase of forestland and agricultural preservation easement pursuant to 3 Del. C. Ch. 9, § 904
  - DNREC's Division of Parks and Recreation and Division of Fish and Wildlife are authorized to acquire open space and conservation easements under the Delaware Land Protection Act, pursuant to 7 Del C. Ch. 75, § 7503

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

- Water Quality Improvement Loan Program (WQILP)
  - The WQILP is very similar to the LCLP, however, its focus is financing Green Infrastructure and/or Environmentally Innovative projects that will have significant water quality improvement impacts. DNREC's Environmental Finance, and the Division of Watershed Stewardship implement the program.
    - Five-year pilot program (subject to availability)
    - Wastewater and proposed WQILP projects must be on the CWSRF Project Priority List (PPL)
    - WQILP projects must have demonstrated water quality improvement benefits and be managed for the life of the improvement
    - Loan debt service payments for both wastewater and WQILP projects will be equal to wastewater project by itself for the term of the loan
    - WQILP project applicants must enter into a Water Quality Improvement Agreement with DNREC's Division of Watershed Stewardship. Some projects will require a Conservation Agreement with DNREC's Division of Parks and Recreation, or Division of Fish and Wildlife
  - DNREC's Division of Parks and Recreation and Division of Fish and Wildlife are authorized to acquire open space and conservation easements under the Delaware Land Protection Act, pursuant to 7 Del C. Ch. 75, § 7503

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

- LCLP – How Does It Work?
  - Project Solicitation and Review:
    - Notice-of-Intent solicitation from municipalities including LCLP project interest
    - CWSRF Project Priority List (PPL) and Intended Use Plan (IUP) developed
    - Municipal and LCLP project loan applications solicited from approved PPL
  - DDA or DNREC (Implementers) Review LCLP Project Applications
    - DNREC Criteria for The LCLP Eligibility
    - DDA Criteria for Forestland Conservation Easements
  - Financial Review and Interest Rate Determination:
    - DNREC conducts financial review of loan applications
    - Interest rate for wastewater and LCLP loans are adjusted to ensure annual loan debt service is equal to the municipal wastewater project separately

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

## DNREC

- Parcel(s) must be at least 10 acres in size and at least 25% forested
- Wastewater spray irrigation is permissible on the parcel(s) utilizing best available treatment technology; however, all wastewater storage and treatment facilities must be located on lands other than the parcel(s).
- There must be a demonstrated water quality benefit associated with the acquisition of the parcel(s) or property rights
- Parcel(s) must be within 1 mile of land already preserved by federal, state, local, or other conservation organizations.
- Parcel(s) must exhibit at least one or more of the following:
  - contains endangered, threatened, or ecologically significant species, or natural communities
  - valuable to the community as open space due to its proximity to developing areas or to its impact on a view corridor
  - valuable to a community because of its historical or cultural resources or its proximity to an historically significant area
  - includes or contributes to important wildlife habitat or migration corridors
  - significant agricultural or forestry resources
  - wetlands, flood plains or other lands necessary for the protection of water resources
  - contains significant or unique ecosystems or natural features

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

## DDA

- Property must (1) be enrolled in Delaware's Forestland Preservation Program (FPP) OR enrolled in the Aglands Preservation Program and meet the requirements of the FPP and (2) have submitted an offer to sell their development rights.
- Requirements of the FPP are:
  - at least 10 (forested) acres in size
  - located outside state-designated growth zone
  - zoned agricultural and no major subdivision recorded for the property
  - have a forest management plan prepared by a professional forester and updated every five years
  - all of the woodland on the property must be included and the land must remain forested (not cleared for cropland, structures, etc.)
- Wastewater spray irrigation is permissible on the FPP parcel(s) utilizing best available treatment technology; however, all wastewater storage and treatment facilities must be located on lands other than the FPP properties.

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

## WQILP – How Does It Work?

### Financial Assistance Office

- Project Solicitation and Review:
  - Notice-of-Intent solicitation from municipalities including WQILP project interest
  - CWSRF Project Priority List (PPL) and Intended Use Plan (IUP) developed
  - Municipal and WQILP project loan applications solicited from approved PPL
- Financial Review and Interest Rate Determination:
  - Environmental and Financial Reviews of loan applications conducted
  - Evaluation of Interest Rate for proposed Wastewater and WQLP loans are conducted to ensure annual combine loan debt service will be equal to the municipal wastewater project separately
  - Coordinates Internal Processing and Approvals, Loan Closings with Applicants, the Division of Watershed Stewardship, and Other Partners as Necessary

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

## WQILP Criteria

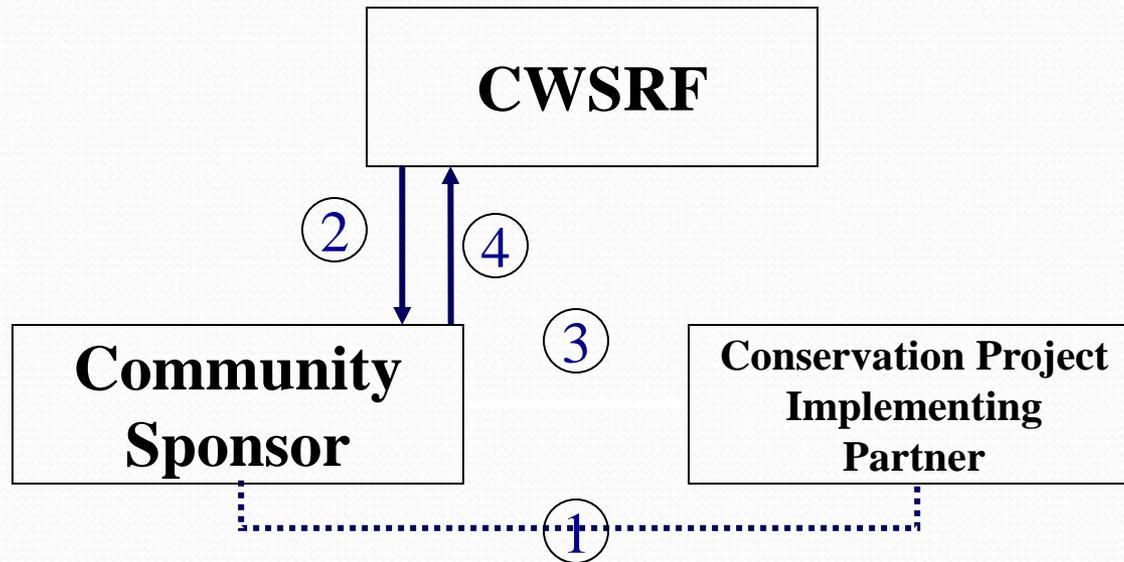
There must be a demonstrated water quality benefit associated with the project, and the project must exhibit at least one or more of the following:

- Project must incorporate green infrastructure and /or be environmentally innovative;
  - Examples of eligible projects include:
    - Implementation of green streets (combination of infrastructure practices in transportation rights-of-way) for new development, redevelopment or retrofits;
    - Implementation of wet weather management systems for parking areas which include: the incremental cost of porous pavement, bioretention, trees, green roofs and other practices that mimic natural hydrology and reduce effective imperviousness at one or more scales;
    - Equipment to maintain green streets, vector trucks and other equipment (Will be contingent upon contractual arrangement with Environmental Finance and the Division of Watershed Stewardship);
    - Implementation of water harvesting and reuse programs or projects, including reuse that reduce energy consumption, recharge aquifers and reduce water withdrawals and treatment costs
    - Downspout disconnection to remove stormwater from combined sewers and storm sewers;

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

① **Community and implementing partner enter into sponsorship agreement**

② **CWSRF Provides funding to community for wastewater treatment & land conservation or water quality improvement project**



③ **Community provides CWSRF funding for sponsored land conservation or water quality improvement project**

④ **Community repays low-interest loan to CWSRF**

# Delaware Water Pollution Control Revolving Fund Land Conservation, & Water Quality Improvement Programs Overview for Potential Project Sponsors

## Example - Land Conservation and Water Quality Improvement Loan Program

Loan Term (years)	CWSRF Interest Rate	Land Conservation or Water Quality Improvement Interest Rate	Land Conservation or Water Quality Improvement Loan	Municipal Wastewater Loan	Total Annual Debt Service Payment	Life of Loan Debt Service Payment
			<b>\$114,973</b>	\$1,000,000		
20	2.95%	n/a	n/a	\$66,905	<b>\$66,905</b>	\$1,338,107
20	<b>2.00%</b>	0.000%	\$5,749	\$61,157	<b>\$66,905</b>	\$1,338,107
			<b>\$344,919</b>	\$3,000,000		
20	2.95%	n/a	n/a	\$200,716	<b>\$200,716</b>	\$4,014,322
20	<b>2.00%</b>	0.000%	\$17,246	\$183,470	<b>\$200,716</b>	\$4,014,322
			<b>\$574,865</b>	\$5,000,000		
20	2.95%	n/a	n/a	\$334,527	<b>\$334,527</b>	\$6,690,537
20	<b>2.00%</b>	0.000%	\$28,743	\$305,784	<b>\$334,527</b>	\$6,690,537
			<b>\$1,207,217</b>	\$10,500,000		
20	2.95%	n/a	n/a	\$702,506	<b>\$702,506</b>	\$14,050,128
20	<b>2.00%</b>	0.000%	\$60,361	\$642,146	<b>\$702,506</b>	\$14,050,128
			<b>\$4,024,057</b>	\$35,000,000		
20	2.95%	n/a	n/a	\$2,341,688	<b>\$2,341,688</b>	\$46,833,759
20	<b>2.00%</b>	0.000%	\$201,203	\$2,140,485	<b>\$2,341,688</b>	\$46,833,759

# Questions