



DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL
Delaware Water Infrastructure Advisory Council
Watershed Improvement Projects Implementation Initiative
Request for Applications (RFA)

Synopsis

The Clean Water State Revolving Fund (CWSRF) is making available \$2.5 million for loans to implement new water quality improvement projects designed to restore water quality as part of specific Delaware priority watershed improvement plans within Delaware's urban and non-urban sectors. Any single CWSRF loan request cannot be less than \$500,000 and cannot be greater than \$1,000,000.

Applications will be selected for funding consideration through a Special Project Solicitation conducted by the Division of Watershed Stewardship, Nonpoint Source Program, (NPS) and evaluated for CWSRF funding by DNREC Environmental Finance.

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Important Dates

April 30, 2019

Issuance of RFA

September 16, 2019

Applications due to the DNREC NPS Program office no later than 3:30 P.M. Applications received after that time will not be considered for this solicitation and loan offering.

October 16, 2019

Selected Applications will be presented to the WIAC on the revised 2019 Project Priority List and revised 2019 Intended Use Plan

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Nonpoint Source Program, Suite 6B
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**DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL
REQUEST FOR APPLICATIONS: Watershed Improvement Projects Implementation
Initiative**

1. INTRODUCTION AND PROGRAM GOALS

Purpose

The Department of Natural Resources and Environmental Control (DNREC) is announcing a Request for Applications (RFA) to seek applicants looking to implement new water quality improvement projects designed to restore water quality as part of specific Delaware priority watershed improvement plans within Delaware’s urban and non-urban sectors.

Program Goals and Priorities

The Department of Natural Resources and Environmental Control has developed a 2 step approach to implementing large scale water quality improvements. In the first step applications will be evaluated by the Division of Watershed Stewardship, Nonpoint Source Program (NPS) on merits of eligibility, geographic scope, watershed impairment, watershed plan, water quality improvement, and program capacity. The second step will involve the review of the applicant’s financial capacity to enter into a loan with DNREC’s Environmental Finance.

It is the desire of DNREC to fund the implementation of large scale water quality improvement projects designed to restore water quality as part of specific Delaware priority watershed improvement plans. These projects may occur on both urban and non-urban sectors within priority watersheds in Delaware. Applicants are limited to those with the necessary legal authority to enter into a loan agreement with the Department of Natural Resources and Environmental Control (DNREC) for a loan through the Clean Water State Revolving Fund (CWSRF) program. The total CWSRF loan request cannot be less than \$500,000 and no greater than \$1,000,000. The loan interest rate shall be zero percent, and there will be no accrual of loan interest through project completion. After a borrower has successfully completed their watershed implementation project, the outstanding principal loan balance shall be forgiven.

Important Dates and Schedule

April 30, 2019	RFA Issued
September 16, 2019	Proposals due to the DNREC Nonpoint Source Program office no later than 3:30 p.m. Applications received after that time will not be considered for this solicitation and loan offering.
October 16, 2019	Selected Applications will be presented to the Water Infrastructure Advisory Council on the revised 2019 Project Priority List and revised 2019 Intended Use Plan

2. ELIGIBILITY

Applicant Requirements

Eligible applicants include state agencies, counties, municipalities, other commissions and political subdivisions or interstate bodies with the capacity to borrow. Partnerships are encouraged where necessary to promote larger projects that are beyond the capacity of smaller organizations.

Applicants will be required to demonstrate financial capacity and eligibility to borrow CWSRF funds as a pre-qualification.

Project Eligibility

- Restoration of water quality benefits are eligible within the Clean Water Act, Sections 319 and 320.
- Projects must meet the EPA definition of either Green Infrastructure or Environmentally Innovative.
- Must be in an EPA Priority Watershed (Appoquinimink, Broadkill, Chester / Choptank, Christina, Inland Bays, Little Assawoman Bay, Nanticoke, Pocomoke/Wicomico, St. Jones, Upper Chesapeake)
- Project funding is limited to necessary planning, design, and construction costs; operation and maintenance costs will not be funded.
- For an application to be considered eligible for funding, all work included in the project must take place within the State of Delaware.

Insurance: There are insurance requirements for loan recipients. Applicants should review their existing insurance coverages and determine if their existing insurance coverage meets the requirements set out below. If the Applicant's current insurance does not meet the requirements set out below, please explain in your submittal how any deficiencies in the required insurance coverages will be handled. Certificate of Insurance and/or copies of the insurance policies will be required before a loan is executed.

Loan recipients shall maintain the following insurance during the loan 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.

Award Information

Funding for projects under this initiative will be subject to a minimum \$500,000 loan with a maximum of \$1,000,000. The award made under this RFA will support lasting water quality improvements on lands necessary in an EPA Priority Watershed.

DNREC reserves the right to reject all applications and make no awards under this announcement.

Ineligible Costs and Projects

Projects required by enforcement action taken by DNREC, punitive or penalty related requirements, required mitigation, are ineligible for these funds.

Project Duration

The project implementation should not extend beyond 1 year of the date of loan settlement.

3. HOW TO APPLY

Submission of Proposals

An electronic copy of the application and supporting materials (e.g. project support letters from partners) in pdf format AND a copy in Microsoft Word must be submitted to the Nonpoint Source Program no later than **3:30 pm, on September 16, 2019**. The emailed application must be less than 10 megabytes in size. Applications will not be accepted by facsimile machine submission. Please send submissions to:

Jim Sullivan

James.Sullivan@delaware.gov

Subject: Watershed Improvement Project

Application Format

Applicants should describe, within your application, how the project meets the program goals and priorities, the geographic scope of the project, cost effectiveness of the project, technical merit and feasibility, and organizational capacity to complete the project. The recommended length (not including cover page, signature page, and exhibits) of the proposal is 5-6 pages. Applicants may be contacted if the selection committee has any questions regarding your proposal.

Cover Page: The cover page should include the project title, partners/sponsor(s), point of contact information, period of time the project will cover (e.g. 6 months, 1 year, etc.), project cost, requested amount of funding, and information contained in the below summary table.

1. Total drainage area being treated (acres) and associated runoff curve number

2. % Impervious Area
3. Best Management Practice(s) Proposed or Type of Innovative Project Proposed
4. Total runoff reduction proposed and/or nutrient reduction (from DURMM v.2)

Financial pre-screening and Signature Page: The applicants will need to include their answer to the following questions on this page:

1. Does the applicant have legal authorization to borrow funds? Yes or No
2. Type of anticipated loan security? (e.g. Revenue Pledge, General Obligation Bond, Surety or Performance Bond, Other)
3. Does the applicant have audited financial statements? Yes or No
 - a. If yes, give the most current date available.
 - b. If no audited financials, list last date and type of financials.(i.e. Tax Returns)
4. If required, does the applicant have a dedicated source of repayment? Yes or No
 - a. If yes, list the source of revenue or funds available.
5. What is the current debt service for the applicant's Water/Sewer Fund? (\$)
6. What is the current O, M, & R of the applicant's Water/Sewer Fund? (\$)

This page should also contain the signatures of the applicant, landowner(s) on which the project will occur, and the responsible party for who would sign for the loan along with the signature of any party (or project partner) leveraging funds. Letters of support from the landowners may be included in this section.

Background and Justification: Briefly describe the issue or problem to be addressed by the project, why the work is necessary, and how it fits with the implementation initiative criteria. Describe where the project is located including its watershed, municipality, and site location, and its geographic characteristics such as recharge feasibility, TMDL reduction requirements, etc.

Scope of Work: This section should describe an objective and what is to be accomplished, location where the work will take place, who will complete the work, organizational capacity to complete the project, a work plan to accomplish your task, and description of environmental and multiple benefits resulting from your project.

Time Schedule and Benchmarks: This section should break down the Scope of Work into tasks with target dates (weeks, months) for completion of each task. It should list target milestones, timelines, and describe how each milestone addresses project objectives.

Project Budget: This section should provide a detailed budget description and a brief narrative justification of the budget. It should include the amount requested and itemize all expenditures such as personnel/salaries; travel, equipment, supplies, contractual costs, indirect costs, and leveraging sources and amounts.

Qualifications: This section should include a list of applicant's qualifications to complete the project.

Insurance: There are insurance requirements for loan recipients. Applicants should review their existing insurance coverages and determine if their existing insurance coverage meets the requirements described herein. If the Applicant's current insurance does not meet the requirements, please explain in your submittal how any deficiencies in the required insurance coverages will be handled. Certificate of Insurance and/or copies of the insurance policies will be required.

4. SELECTION PROCESS

Applications will be reviewed for threshold eligibility purposes as described in this announcement. A team of resource and financial experts will conduct a merit evaluation of each eligible application, rank them, and submit recommendations for funding to the Delaware Water Infrastructure Advisory Council.

Review and Ranking Criteria

The following evaluation criteria will be employed when reviewing and screening applications. Information on how each one of these will be fulfilled should be included in the proposal.

Geographic Scope – Criteria Point Value: 0 - 10

- ❖ The proposal shall thoroughly identify the geographic setting of the project.
 - The watershed and sub-watershed shall be identified (i.e., Deep Creek subwatershed within the Chesapeake Bay watershed)
 - The municipality contained within (i.e., county or town/city).
 - The site specific information (i.e., street location, parcel identification, waterbody draining to, etc.)
 - Any site reconnaissance information, including but not limited to: recharge feasibility mapping, soils mapping and/or soils testing, contours via Lidar data or survey, drainage area/acres treated, % impervious cover.
 - An aerial of the project area must be included within the limits and important features clearly noted. Additional exhibits are encouraged.

Watershed Impairment – Criteria Point Value: 0 - 30

- ❖ The impairments of the watershed and/or site area should be noted, including management plans that have been developed.
 - The TMDL reduction requirements established
 - Local factors and concerns (i.e., in a CSO area, in a highly impervious area with no stormwater controls, in a highly eroding stream channel, etc.)

Watershed Plan – Criteria Point Value: 0 - 15

- ❖ Project listed in an EPA Priority Watershed management plan (Appoquinimink, Broadkill, Chester / Choptank, Christina, Inland Bays, Little Assawoman Bay, Nanticoke, Pocomoke/Wicomico, St. Jones, Upper Chesapeake). The following is a web page link to an inclusive list of various watershed plans on the Division of Watershed Stewardship's webpage.

<http://www.dnrec.delaware.gov/swc/wa/Pages/WatershedManagementPlans.aspx>

Water Quality Improvement - Criteria Point Value: 0 - 30

- ❖ Benefits to water quality within a Delaware Priority Watershed. Projects can address more than one Watershed as long as all projects are identified within an approved watershed management plan. The TMDL reduction of the proposed project must be included.

Program Capacity – Criteria Point Value: 0 - 25

- ❖ Organizational experience of applicant, partners and consultants/contractors (if known). If any necessary consultants or contractors are not known at the time of proposal preparation, then the means of selecting a qualified candidate should be described. An appropriate licensed professional is required to seal construction plans for implementation projects.

5. AFTER APPLICATION APPROVAL

- ❖ After approval of project pre-applications by the DNREC Secretary, the Environmental Finance Office will assist applicants with completing required CWSRF loan documents to include Preliminary Engineering Report, Environmental Information Document, SRF Application, and Financial Documents. After the loan review process, each project will be presented at WIAC for recommendation to the Secretary for issuance of a CWSRF Binding Loan Commitment Letter. They will be mailed to applicants detailing the approved loan amount, loan terms, and program requirements. Returned signed Binding Commitments from applicants will commit CWSRF funding for the proposed project.
- ❖ Loan closing is the next step in the process. If the applicant is a municipality with the ability to issue a general obligation pledge as security for the proposed loan, their legal counsel will be contacted to prepare for loan closing. For other applicants, their legal ability to issue a revenue pledge as security or issuance of a surety bond for the loan will be explored. Otherwise, an applicant may be required to partner with a municipality as the project sponsor. Loan closing costs are eligible CWSRF loan expenses and will be forgiven at successful project completion. Should the loan not be forgiven as a result of non-completion of the project, the borrower will be required to repay the principal amount advanced and outstanding.
- ❖ After loan closing, borrowers may submit incurred project expenses with detailed invoices, loan reimbursement forms will be provided. All funded projects will be assigned an Environmental Finance Office Engineer as DNREC's Project Manager. There will be ongoing project inspections as necessary. Borrowers will be required to submit regular reports during the project period with a final report required at project completion. Specific reporting requirements will be provided in the financing agreement. A project presentation to the WIAC at the end of the project period may be requested. All borrowers are required to comply with all state and federal laws and all applicable CWSRF program requirements.

6. CONTACT INFORMATION

For further details regarding the Watershed Improvement Projects Implementation Initiative, applicants are encouraged to contact:

For Application Questions contact:

- Jim Sullivan, Nonpoint Source Pollution Program James.Sullivan@delaware.gov

For Loan Questions contact:

- Greg Pope, Environmental Finance Greg.Pope@delaware.gov

Additional information is available online at: <https://dnrec.alpha.delaware.gov/environmental-finance/>

The Department of Natural Resources and Environmental Control solicits and encourages Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and Small Business Enterprises (SBE) in all service contracts and is committed to affirmative action, equal opportunity, and diversity of its workforce.