



State of Delaware Water Pollution Control Fund

FFY 2026 Intended Use Plan

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Delaware Water Pollution Control Revolving Fund

FFY 2026 Intended Use Plan

I. Introduction

This Intended Use Plan (IUP) is required by Section 606(c) of the Clean Water Act (CWA) and will be submitted to the U.S. Environmental Protection Agency (EPA) as part of the State of Delaware's FFY 2026 Federal Capitalization Grant Applications. An IUP is prepared annually, with an option to submit a revised IUP mid-year, ensuring that all potential loan applicants have an opportunity to submit project needs for funding consideration. This IUP will be submitted to EPA in April 2026.

The IUP identifies the intended use of the funds requested, and how the additional financial assistance will support the goals of the Delaware Water Pollution Control Revolving Fund, also known as the Clean Water State Revolving Fund (CWSRF). The mission of the CWSRF is to provide a continuing source of financing for environmental infrastructure capital needs to maintain and improve water quality. Financial assistance is provided by the CWSRF to public and private entities for planning, design, and construction of wastewater collection, treatment and disposal facilities, stormwater infrastructure improvements, non-point source, and estuary water pollution control projects.

Although previously approved and awarded by EPA, this IUP also describes the transfer of Federal funds between the Department of Health and Social Service's (DHSS) Drinking Water State Revolving Fund (DWSRF) and the CWSRF. It identifies how the additional financial assistance was used to support the goals of the CWSRF, and the amount of the transfer.

All eligible applicants submitting Project Notices-of-Intent (NOIs) are listed on the 2026 Project Priority List (2026 PPL) in priority order. However, no funds are committed or reserved for individual projects until financial assistance applications are solicited, received, and approved, indicating the project's readiness to proceed. Projects that are ready to proceed are then funded in priority order.

II. CWSRF Program Goals

The State of Delaware is committed to using Federal capitalization grants to provide financial assistance for eligible projects that will proceed quickly to construction, and further the water quality mission of the CWSRF. The following are the short-term and long-term goals.

Short-Term Goals

To enter into binding commitments for projects that will proceed to construction or award of construction contracts within eight (8) quarters of the FFY 2026 Grant awards.

To achieve a CWSRF program "PACE" that exceeds 95 percent utilization of available funds for project binding loan commitments.

To first expend the full State match requirement of the Capitalization Grants and then spend the Federal portion of the Capitalization Grants.

To expand the loan portfolio of the CWSRF to include other innovative uses such as loans for land conservation, stormwater, water conservation, energy efficiency, as well as green and sustainable water infrastructure projects consistent with CWSRF program rules, requirements, and regulations.

To enhance the collaboration between DNREC and DHSS relative to the operation of the CWSRF and DWSRF programs. These enhancements will focus on adding increased program value to applicants and borrowers, such as:

- Combined CWSRF and DWSRF Semi-Annual Workshops
- Offering Planning and Design Loans for Projects that are not Ready to Proceed
- Combined CWSRF and DWSRF Loan Closings (where applicable)
- Eliminate need for Interim Construction Project Financing from other funding sources (bank financing for project construction is not needed; CWSRF and DWSRF funds can be used for project planning, design, and construction); loan reimbursement requests based on incurred eligible project costs are normally processed within 30 days
- Processing Loan Reimbursement Requests within 30 days or less

To provide technical assistance to rural and small publicly owned treatment works. The CWSRF will provide technical assistance in a variety of ways, including soliciting a contractor to provide assistance to small, rural systems, with the goal of helping systems put themselves in a position to move forward with an application for funding from the CWSRF. Additionally, CWSRF internal staff will provide technical assistance as needed to small and rural systems.

To enhance marketing and outreach to communities in need by partnering with Counties, municipalities, DHSS, Delaware State Housing Authority, Southeast Rural Community Assistance Partnership, and other potential non-profits to educate potential borrowers about the CWSRF program and other State funding programs.

To comply with all Federal capitalization grant and project reporting requirements.

To analyze financial leveraging as a tool that may be needed to help meet the growing demand for loans provided by the CWSRF.

To revise the current joint operating agreement with EPA, DNREC, and DHSS.

Long-Term Goals

To ensure the long-term viability of the CWSRF program, while providing necessary project subsidization when needed.

To optimize the CWSRF program to address changing loan demand for Non-Point Source concerns and other difficult to finance water quality improvement issues.

To identify and fund projects associated with the Infrastructure Investment and Jobs Act (IIJA).

To periodically evaluate additional funding opportunities to meet emerging water quality and public health needs.

Performance Evaluation Review (PER) Action Items

The EPA conducted its site visit between February 18-20, 2025, which reviewed the period from July 1, 2023, through June 30, 2024 (SFY 2024).

The EPA financial indicators show that DNREC continues to maintain the CWSRF program in perpetuity. Specifically, the operating net and federal return on investment indicators demonstrated growth in SFY 2024.

The PER for SFY 2024 included the following action items:

- The joint operating agreement is outdated and needs to be revised. DNREC and DHSS have developed a draft of the revised operating agreement and expect to send it to the EPA for review in the summer of 2025 – **current status is ongoing. (see short term goals).**
- DNREC must fill its staff vacancies to ensure continued effective management of the CWSRF program and implementation of IIJA goals. EPA requests DNREC continue to provide a bi-monthly update on its progress towards addressing staffing needs – **current status is unresolved. (DNREC has reduced its vacancy rate from 36% to 31.8%; however, additional progress is needed. DNREC is updating the EPA as required during its bi-monthly communication on staffing).**

III. Fund Sources, Uses, and Program Requirements

DNREC will be applying for the FFY 2026 Federal Base Capitalization Grant of \$7,788,000* for which a twenty percent (20%) State match \$1,557,600* is required, the General Supplemental Grant of \$12,094,000* for which a twenty percent (20%) State match \$2,418,800* is required, and the Emerging Contaminants Grant of \$1,100,000* for which a zero percent (0%) State match is required. The required (20%) State matches will be provided from State appropriations and deposited into the fund upon receipt of the FFY 2026 Federal Capitalization Grants.

Water Resources Reform and Development Act (WRRDA) amendment changes to the CWSRF program allow 1/5 of 1% of the CWSRF's Net Fund Position to be used for Federal program administration; a total of \$763,496 was used for SFY 2026 and \$763,496 is projected for SFY 2027 use, which will not exceed the statutory limit.

Additionally, two percent (2%) of the combined FFY 2026 Federal Capitalization Grants will be used for technical assistance, at \$419,640*. The 2% is intended to assist rural and small publicly owned treatment works. The uses of the fund will include, but are not limited to, community outreach, technical evaluation of wastewater solutions, preparation of applications, preliminary engineering reports, and financial documents necessary for receiving SRF assistance. This provision applies to the base program, the general supplemental, and emerging contaminants funds.

The ten percent (10%) minimum additional subsidy of \$778,800*, and (10%) mandated congressional authority subsidy of \$778,800* for the Base FFY 2025 Grant will be used for principal loan forgiveness for eligible borrowers. Additionally, (10%) \$778,800* will be used for projects funded under a Green Project Reserve (GPR) - green infrastructure, water or energy

efficiency, and innovative uses. Up to thirty percent (30%) \$2,336,400* of the FFY Base 2026 Grant may be used for additional subsidization under WRRDA based on project affordability.

The mandated forty-nine (49%) of the FFY 2026 Supplemental Federal Capitalization Grant in the amount of \$5,926,060* will be used for additional subsidy for eligible borrowers. Additionally, (10%) \$1,209,400* will be directed toward GPR funding.

The mandated one hundred percent (100%) of the FFY 2025 Emerging Contaminants Federal Capitalization Grant in the amount of \$1,100,000* will be used for additional subsidy for eligible borrowers, of which \$110,000* will be directed to GPR.

The CWSRF reserves the right to transfer up to the full amount of the Emerging Contaminants Federal Capitalization Grant to either the DNREC Environmental Lab or the DWSRF.

**FFY 2026 Federal Capitalization Grant amounts are subject to the final allotments which have not yet been released. Award amounts and prescriptive State Match are assumed at the FFY 2025 amounts. Additionally, any percentage based technical assistance, additional subsidy, and green project reserve are assumed at the FFY 2025 amounts.*

Table-1 Sources and Uses

CWSRF SFY 2027 Sources:

| | |
|---|----------------------|
| Projected Fund Balance at 6/30/2026 | \$88,482,506 |
| Base Cap Grant | \$7,788,000 |
| Base Cap Grant State Match | \$1,557,600 |
| Supplemental Cap Grant | \$12,094,000 |
| Supplemental Cap Grant State Match | \$2,418,800 |
| Emerging Contaminants Cap Grant | \$1,100,000 |
| Emerging Contaminants Cap Grant State Match | \$0 |
| Projected Repayments to the Fund* | \$18,459,827 |
| Projected Investment Interest Income* | \$3,000,000 |
| Total Sources for SFY 2027 | \$134,900,733 |

CWSRF SFY 2027 Uses:

| | |
|--|----------------------|
| 1/5 th of 1% Administration of the Fund (Based on SFY 2026) | \$763,496 |
| 2% Technical Assistance (SFY 2025 All Cap Grants) | \$419,640 |
| Disbursements to Existing Loan Commitments | \$96,908,653 |
| Future Commitments to Loans on PPL | \$36,808,944 |
| Total Uses | \$134,900,733 |
| Net Sources and Uses | \$0 |

**Projected repayments and investment income through 6/30/26*

Transfer between SRF programs

In FFY 2012, the DWSRF transferred \$27,050,176 in Federal and \$5,410,035 in State funds to the CWSRF program. The transferred funds were used to provide a CWSRF loan for the City of Wilmington's Renewable Energy Biosolids Facility (REBF). Should repayment become necessary, the transfer will be repaid by meeting DWSRF loan disbursement needs. It is the understanding between both DNREC and DHSS that up to \$32,460,211 will be made available for DWSRF loan disbursements after the following funding sources have been exhausted: first Federal Capitalization Grants; and second DWSRF loan repayments. After these funding sources have been exhausted, DNREC will provide loan disbursements for existing and/or new DWSRF loans on a cash flow basis as needed up to the amount of the previously transferred DWSRF funds stated above. To date, no funds have been transferred back to the DWSRF program.

IV. Project Selection Funding Process

On January 21, 2026, a workshop was held to provide a detailed overview of the CWSRF and DWSRF programs; and to inform municipalities, private businesses, consulting engineering firms, non-profits, and other interested parties of the need to submit NOIs for the 2026 PPL process by February 18, 2026. Thirty (30) new NOIs were received totaling \$92,497,169.

The selection process for funding projects in part with FFY 2026 Grant funds is based on their respective 2026 PPL ranking, and readiness to proceed. The following projects with a total cost of \$301,196,784 may receive CWSRF funding: forty-three (43) Wastewater/Stormwater Projects are projected to utilize \$271,688,784 from the CWSRF; and one (1) Green Project Reserve (GPR) projects are projected to utilize \$1,500,000. Prior year projects remain on the funding list until the associated loans are closed or withdrawn by applicants.

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Table 2 – Wastewater, Stormwater, and Green Project Reserve (GPR) Projects Selected for CWSRF Funding

| Applicant / Project Name | Total Project Cost | CWSRF Loan Requested | Base or Corpus Funding | Supplemental Funding | EC Funding |
|---|----------------------|----------------------|------------------------|----------------------|--------------------|
| <u>Lewes Board of Public Works</u> | | | | | |
| Pump Station 6 Resiliency Improvements | \$714,000 | \$714,000 | \$714,000 | | |
| Pump Station 17 Abandonment & Pump Station 34 Resiliency Improvements | \$630,500 | \$575,500 | \$575,500 | | |
| Overfalls 48" Storm Water Pipe Replacement | \$500,000 | \$500,000 | \$500,000 | | |
| <u>Kent County Levy Court</u> | | | | | |
| Hedgerow Hollow MHP Septic Elimination | \$2,000,000 | \$2,000,000 | \$2,000,000 | | |
| US 13 Force Main Replacement Puncheon Run to Rising Sun Rd - Phase 2 | \$16,020,000 | \$9,020,000 | \$9,020,000 | | |
| Rt 13 30" Main Relocation - PS 3 to Puncheon Run | \$12,650,000 | \$12,650,000 | \$556,000 | \$12,094,000 | |
| Main Transmission Force Main Replacement - Murderkill River Crossing | \$2,700,000 | \$675,000 | \$675,000 | | |
| Twin Maples Mobile Home Park Septic Elimination Project | \$2,000,000 | \$2,000,000 | \$2,000,000 | | |
| Biological Process Capacity Upgrade | \$20,000,000 | \$4,400,000 | \$4,400,000 | | |
| Headworks Improvements | \$3,750,000 | \$2,812,000 | \$2,812,000 | | |
| UV Disinfection System Upgrade | \$2,750,000 | \$1,200,000 | \$1,200,000 | | |
| Countywide Gravity Pipeline Condition Repairs | \$3,100,000 | \$3,100,000 | \$3,100,000 | | |
| Pump Station 24A Pump Upgrades, Piping & Force main Improvements | \$2,100,000 | \$1,680,000 | \$1,680,000 | | |
| <u>City of Wilmington</u> | | | | | |
| CSO 30 Discharge Reduction | \$43,000,000 | \$43,000,000 | \$43,000,000 | | |
| CSO 4a Discharge Reduction | \$34,000,000 | \$34,000,000 | \$34,000,000 | | |
| Secondary Treatment Rehabilitation 2024 | \$6,000,000 | \$6,000,000 | \$6,000,000 | | |
| CSO 29 Outfall Rehabilitation | \$1,050,000 | \$1,000,000 | \$1,000,000 | | |
| Emerging Contaminant/ Gasification Integration for PFAS Removal at Wilmington WWTP | \$1,500,000 | \$1,500,000 | \$400,000 | | \$1,100,000 |
| Rockford Road CSO and Stormwater Flood Reduction | \$13,000,000 | \$13,000,000 | \$13,000,000 | | |
| Small Diameter Collection System Rehabilitation | \$2,450,000 | \$2,200,000 | \$2,200,000 | | |
| Large Diameter Collection System Rehabilitation | \$2,120,000 | \$2,000,000 | \$2,000,000 | | |
| WWTP - Aeration/Secondary Treatment Rehabilitation: Blower Replacements and Electrical Upgrades | \$12,420,000 | \$12,420,000 | \$12,420,000 | | |
| WWTP- Primary Bypass Upgrades | \$1,600,000 | \$1,600,000 | \$1,600,000 | | |
| WWTP - Renewable Energy Biosolids Facility Upgrades | \$15,000,000 | \$15,000,000 | \$15,000,000 | | |
| <u>Sussex County Council</u> | | | | | |
| Bethany Forest | \$4,870,300 | \$4,870,300 | \$4,870,300 | | |
| Joy Beach Phase 2 | \$4,030,000 | \$4,030,000 | \$4,030,000 | | |
| <u>New Castle County</u> | | | | | |
| Southern Sanitary Sewer Area | \$26,767,000 | \$26,767,000 | \$26,767,000 | | |
| <u>City of Newark</u> | | | | | |
| Sanitary Sewer Study and Repairs | \$2,200,000 | \$2,200,000 | \$2,200,000 | | |
| <u>City of Seaford</u> | | | | | |
| Seaford WWTF - Upgrade and Expansion | \$30,739,315 | \$30,739,315 | \$30,739,315 | | |
| Martin Farms Sewer Relocation - Phase 2 | \$2,070,000 | \$2,070,000 | \$2,070,000 | | |
| <u>Sandhill MHP, LLC</u> | | | | | |
| Sand Hill Mobile Home Park Septic Elimination | \$2,480,000 | \$2,480,000 | \$2,480,000 | | |
| <u>Diamond State Sustainability Corp</u> | | | | | |
| Grants Way Septic Elimination | \$4,920,000 | \$4,920,000 | \$4,920,000 | | |
| <u>Laurel Village MHC</u> | | | | | |
| Laurel Village Mobile Home Park Sewer Upgrades Project | \$7,000,000 | \$7,000,000 | \$7,000,000 | | |
| <u>Gumtree Road LLC</u> | | | | | |
| Holiday Estates Sec 1 | \$1,510,000 | \$1,510,000 | \$1,510,000 | | |
| <u>Town of Laurel</u> | | | | | |
| 8th Street Catch Basin Separation - Illicit Inflow | \$220,000 | \$220,000 | \$220,000 | | |
| Central Ave and 4th Street Catch Basin Separation - Illicit Inflow | \$220,000 | \$220,000 | \$220,000 | | |
| Central Avenue Gravity Sewer Lining | \$2,157,388 | \$2,157,388 | \$2,157,388 | | |
| Priority 1 - 6th Street Gravity Sewer Rehabilitation and Replacement | \$1,596,485 | \$1,596,485 | \$1,596,485 | | |
| Priority 2 - 6th Street Gravity Sewer Lining | \$1,964,008 | \$1,964,008 | \$1,964,008 | | |
| Washington Street and Sussex Ave CB Separation-Illicit Inflow | \$220,000 | \$220,000 | \$220,000 | | |
| West Street Gravity Sewer Lining | \$2,249,788 | \$2,249,788 | \$2,249,788 | | |
| <u>Town of Millsboro</u> | | | | | |
| Millsboro State Street Pumping Station | \$3,360,000 | \$3,360,000 | \$3,360,000 | | |
| <u>County Seat Gardens</u> | | | | | |
| County Seat Gardens | \$68,000 | \$68,000 | \$68,000 | | |
| Total Wastewater | \$299,696,784 | \$271,688,784 | \$258,494,784 | \$12,094,000 | \$1,100,000 |

| Green Project Reserve | | | | | |
|-------------------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------------|--------------------|
| Applicant / Project Name | Total Project Cost | CWSRF Loan Requested | Base or Corpus Funding | Supplemental Funding | EC Funding |
| <u>DNREC, Environmental Finance</u> | | | | | |
| Green Project Reserve | \$1,500,000 | \$1,500,000 | \$1,500,000 | | |
| Total GPR | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$0 | \$0 |
| Total | \$301,196,784 | \$273,188,784 | \$259,994,784 | \$12,094,000 | \$1,100,000 |

Note: These IUP Project Estimates are based on original Notices of Intent (NOIs) or Application Submitted and are subject to change with final applications and binding commitments. Additionally, should project(s) noted for Emerging Contaminants be determined ineligible, the CWSRF reserves the right to solicit additional Emerging Contaminant projects for the balance of the grant.

V. Interest Rates and Loan Terms

The size and complexity of the CWSRF and DWSRF underscore the need to routinely analyze and track financial conditions and periodically evaluate various Fund management options. Such an analysis was recently completed by our financial management analysts in consultation with the State’s financial advisory consultant, PFM, LLC.

For the purpose of this policy, loan documents shall set forth provisions for the borrower to pay to the Department on the principal amount drawn down and outstanding from the date(s) drawn, interest and an administrative fee (collectively, interest and the administrative fee are referred to as “Fee” in the loan documents).

The payments of principal and interest are deposited into the CWSRF and DWSRF respectively. The administrative fee is deposited separately into the CWSRF or DWSRF Non-Federal Administrative Account (NFAA), respectively, to support each of the SRF’s program expenses, wastewater and drinking water quality related expenses, and innovative wastewater and drinking water quality programs. Funds within the respective NFAAs are accounted for separately from the CWSRF and DWSRF Capital Reserve Loan Funds. Each NFAA complies with EPA’s Guidance on Fees Charged on CWSRF and DWSRF loans.

The current joint interest rate policy went into effect on September 1, 2024. Project affordability criteria and interest rates apply to new public, private/public use, investor-owned, and private/private use CWSRF and DWSRF loan applications until the policy is revised.

- Interest plus fee rates shall be set at 2.0 percent per annum.
- During the disbursement/construction period of the loan interest plus fee rates shall be 0.0 percent per annum.
- Administrative Fees shall be set at 50 percent the overall interest rate.
- Interest plus fee rates for all Lead Service Line Replacement loans shall be set at 0.0 percent per annum.
- A lower interest rate may be made available based on projected residential user rates as a percentage of Median Household Income (MHI) above 1.5 percent for a single wastewater or drinking water provided utility, and 3.0 percent for a combined wastewater and drinking water provided utility, only after other alternatives such as extended repayment terms, principal forgiveness or supplemental grants are exhausted.

- Should any municipal applicant demonstrate that the municipal bond rate available to its organization is lower than the collective interest rate and administrative fee set by this policy, then DNREC may match the lower bond rate by adjusting the interest rate.
- Should US Tax Reform (or other regulatory changes) have an impact on the pricing of tax-exempt bonds and their relative value to taxable bonds, this policy will be reviewed and adjusted.
- This policy will be in effect until the receipt of the last IIJA Grants or until the programs decide it necessary to change.

Administrative Accountability and Annual Review Requirements:

- No less frequently than annually, Environmental Finance will perform a financial review of the CWSRF and DWSRF loan portfolios and make any changes to ensure efficient use of funds and their perpetuity. This review shall consider factors such as the water quality and public health priorities, demand for financial assistance, availability and financial benefit of other assistance programs, state funding priorities, demographics and affordability and current market conditions.
- Environmental Finance will use financial modeling to understand how different loan terms and project types may impact the long-term growth of the CWSRF and DWSRF.

(1) *Benchmarks Used for this Policy:*

The benchmarks for this policy were recommended by the State's financial advisory council PFM, LLC. The below is historical data of the Bond Buyer Index 11 (BBI 11-GO1) and Bond Buyer Index 20 (BBI 20-GO2) over the past three years as published weekly in the Bond Buyer <https://www.bondbuyer.com/tag/bond-buyer-indexes>. Additionally, average 30-year conventional mortgage rates, 20-year average commercial mortgage rates on farmland, and USDA loan rates were studied over the past three years. Environmental Finance will continue to monitor the below industry benchmarks to ensure compliance with offering a "rate between 0.0 percent and market rate." CWSRF regulations Section 35.3120 and DWSRF Section 35.3525 require that SRF loan interest rates be between zero percent and the market rate, as determined by the states. The U.S. Environmental Protection Agency (EPA) does not define market rate.

- CWSRF loan terms are set not to exceed the lessor of 30 years and the projected useful life of asset being financed. Amortization must commence not later than one year after projects are completed, and loans must be fully amortized upon expiration of the term of the loan.

VI. Affordability Criteria

The CWSRF affordability criteria will be used to determine whether a project is eligible for principal forgiveness. Principal forgiveness awards will be determined based upon applications received through the annual CWSRF solicitation process and will be provided on a first come first serve basis, to the extent available. Section 603(i)(2) of the CWA requires the following factors: MHI, unemployment rate, population trends of the borrower (or the project area if the project is located in a different jurisdiction) and other relevant data. Affordability criteria measures are the following:

Income Data – 1.5 percent or less of MHI will be considered affordable for a single wastewater or drinking water residential user rates; 3.0 percent or less of MHI will be considered affordable for combined wastewater and drinking water residential user rates. Delaware's affordability criteria accounts for existing system costs relative to Operations and Maintenance (O&M) and Capital, as well as proposed project O&M and Capital costs as a function of MHI (1.5 percent water or wastewater, 3.0 percent if both services are provided) for the project area. MHI is

based on the most recent census data for the municipality or county. **CWSRF loan applicants whose MHI is not representative of the census data may provide documentation in order to obtain principal forgiveness or additional subsidization. Documentation will be in the form of a representative income survey of the majority of the residents of the project area.**

Unemployment Data – Nonpayment of residential wastewater and drinking water utility bills are normally directly associated with insufficient income and unemployment. Communities with greater than or equal to 3.4% unemployed population greater than or equal to 16 years in civilian labor force will be eligible for additional subsidy. Additional subsidy **may** be provided to the extent available.

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. Entities with a population decrease of 5% or greater over the past 3 years will be eligible for additional subsidy. Additional subsidy **may** be provided to the extent available.

If eligible for additional subsidy, the amount of consideration may be given on a percentage basis in concert with any wastewater rate increase (to the extent available). If an eligible additional subsidy recipient has received a Community Project Funding / Congressionally Directed Spending Item (Congressional Earmark) the total project cost net of the Congressional Earmark will be evaluated when applying subsidy amounts.

For projects that may seem unaffordable but are actually not cost effective, the CWSRF will review projects for the cost per EDU. Projects in which the cost per EDU is greater than \$25,000 may be subject to additional analysis. This may include income surveys, value engineering, detailed budget review, and/or a capital contribution from the borrower.

VII. Authority to Provide Additional Subsidization

DNREC has the authority to implement the CWSRF under 29 Del. C. Ch. 80, §8003. This authority includes any other allowable purposes including additional subsidization through principal loan forgiveness under the CWA, as amended.

As of March 1, 2026, DNREC has achieved grant compliance for the required 10% (minimum) loan forgiveness through FFY 2022 for the Base and Supplemental Grants, as well as the Supplemental FFY 2024 and FFY 2025 Grants. DNREC is currently working on fulfilling the FFY 2023 minimum requirements for the Base and Supplemental Grants. Delaware has allocated \$58 million in principal loan forgiveness to date and plans to allocate up to \$7.8 million in SFY 2027 (based on estimated grant award totals).

VIII. Loans for Private Businesses, Private Landowners, Privately-Owned Projects

Private businesses, private landowners, and privately-owned centralized wastewater treatment projects are eligible under the CWA Section 320 Estuary Program as long as the project is within a national estuary and consistent with the Comprehensive Conservation Management Plans (CCMPs); consistency to be determined by Environmental Finance staff.

IX. Project Eligibilities

Ten percent (10%) of the annual Federal capitalization grants **must** be allocated towards projects that qualify as GPR. The following is an overview of CWSRF project eligibility

categories that meet EPA definition of Water Efficiency; Energy Efficiency; Green Infrastructure; and Environmentally Innovative.

Entities eligible for CWSRF assistance include municipalities, State agencies, and non- profits for the construction of publicly owned treatment works defined in Section 212 of the CWA; public or private entities that implement projects under Delaware's Nonpoint Source Management Plans defined in Section 319 of the CWA; and public or private entities that implement projects under Delaware's Estuary CCMPs as defined in Section 320 of the CWA. Eligible assistance activities include:

- Planning and design activities that are reasonably expected to result in a capital project;
- Building activities that implement capital projects; and
- Water Efficiency, Energy Efficiency, Green Infrastructure, and Environmentally Innovative stand-alone projects are eligible; they do not need to be part of a larger capital improvement project.

Water Efficiency

Water efficiency is the use of improved technologies and practices to deliver equal or better services with less water. Examples of water efficiency projects include:

- Installation of water meters;
- Retrofit or replacement of water using fixtures, fittings, equipment, or appliances;
- Efficient landscape or agricultural irrigation equipment;
- Systems to recycle gray water;
- Reclamation, recycling, and reuse of existing rainwater, condensate, degraded water, stormwater, and/or wastewater streams;
- Collection system leak detection equipment; and
- Development and initial distribution of public education materials

Energy Efficiency

Energy efficiency includes capital projects that reduce the energy consumption of eligible water quality projects, or produce clean energy used by a treatment works defined in Section 212 of the CWA. Clean energy includes wind, solar, geothermal, hydroelectric, and biogas combined heat and power systems. Examples of energy efficiency projects include:

- Energy efficient retrofits and upgrades to pumps and treatment processes;
- Leak detection equipment for treatment works;
- Producing clean power for 212 treatment works on site (wind, solar, hydroelectric, geothermal, biogas powered combined heat and power); and
- Pro-rata share of capital costs for offsite publicly owned clean energy facilities that provide power to a treatment works

Green Infrastructure

Green Infrastructure includes a wide array of practices at multiple scales that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, porous pavements, and cisterns. In addition to managing rainfall, these green infrastructure technologies can simultaneously provide other benefits such as helping filter air pollutants, reducing energy demands, mitigating urban heat islands, and sequestering carbon while also providing communities with aesthetic, recreational and natural resource benefits.

Examples of green infrastructure projects include:

- Implementation of comprehensive street tree or urban forestry programs, including expansion of tree box sizes to manage additional stormwater and enhance tree health;
- Implementation of green streets (combinations of green infrastructure practices in transportation rights-of-ways), for either new development, redevelopment, or retrofits;
- Implementation of water harvesting and reuse programs or projects, where consistent with State and local laws and policies;
- 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;
- Establishment and restoration of riparian buffers, floodplains, wetlands, and other natural features; Downspout disconnection to remove stormwater from combined sewers and storm sewers; and
- Comprehensive retrofit programs designed to keep wet weather out of all types of sewer systems using green infrastructure technologies and approaches.

X. CWSRF Financial Status

Delaware agrees to submit to EPA a Federal Financial Status Report – Standard Form 425 within 90 days after the end of each State fiscal year during the term of the Capitalization Grant Agreement.

XI. Public Review and Comment

The PPL and IUP was made available to the Water Infrastructure Advisory Council (WIAC) and the public on March 25, 2026. A public hearing on the PPL and IUP was noticed to the Public Meeting Calendar on March 10, 2026. Newspaper notices were posted in the Delaware News Journal on March 15, 2026 and Delaware State News on March 16, 2026, informing the public of a Public Hearing to be held on March 25, 2026, to receive public comment on the 2026 PPL and IUP. The WIAC will meet on March 25, 2026, to review, approve, and recommend the PPL and IUP; subject to no adverse public comments received by April 24, 2026.

XII. Assurances

Required Reporting

Delaware will enter all projects funded into the EPA reporting database for the Office of Water State Revolving Funds (OWSRF) on an ongoing basis.

Federal Funding Accountability and Transparency Act (FFATA)

Delaware will enter the applicable FFATA reporting into the database (SAM.gov) for each loan designated as equivalency.

Environmental and Financial Reviews

Delaware will meet environmental review requirements by complying with Section IV, paragraph G, of the Operating Agreement between the State of Delaware and the EPA, and Section V of the Regulations Governing the Administration of the CWSRF.

Binding Commitments

Delaware will enter into binding commitments equal to at least one hundred twenty percent (120%) of each quarterly payment within one (1) year of receipt of that payment.

Davis Bacon Wage Rate Act Requirement

The CWSRF will require all treatment works projects to comply with Davis Bacon wages.

Signage

Projects designated as an equivalency project, will comply with the EPA Office of Public Affairs (OPA) Signage Guidance as summarized below:

- A physical sign displaying the EPA logo will be placed at construction sites. The sign must be placed in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

American Iron and Steel (AIS)

All treatment works projects are subject to Title VI of the CWA by requiring that all iron and steel products used for a project for construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States.

Build America Buy America (BABA) Act

Equivalency projects are subject to BABA requirements.

Single Audit

Equivalency projects are subject to the Federal Single Audit Act (SAA) 2 CFR 200 Subpart F, as a sub recipient of Federal Funds.

Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment

Equivalency projects are subject to the Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment located in 2 CFR 200.216, as such regulation pertains to the project.

All Assistance Agreements

All assistance agreements for the CWSRF are subject to the following:

- Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d,
- Age Discrimination Act, 42 U.S.C. § 6101 et seq,
- Federal Water Pollution Control Act Amendments of 1972, Oct. 18, 1972, P.L. 92-500, § 13, and Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 et seq., as amended,
- Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794,
- Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq, General Prohibitions Against Discrimination, 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of the Americans With Disabilities Act,
- Nondiscrimination; Sexual Harassment.

Expeditious and Timely Expenditures

To help ensure that funds are expended in a timely and expeditious manner, and to enhance loan settlement, assistance has been made available through the below incentive grants and programs to facilitate CWSRF loan demand.

- Wastewater Match Planning Grants – \$50k per project is available for feasibility studies to identify and evaluate wastewater needs, requiring a cash match.
- Surface Water Matching Planning Grants – \$50k per project is available for feasibility studies to identify and evaluate surface water management needs, requiring a cash match.
- Project Planning Advances – \$75k per project is available for the development of required Preliminary Engineering Reports (PERs) and Environmental Information Documents (EIDs) necessary to apply for a CWSRF loan; up to \$75k is forgiven on the condition that the application closed on a CWSRF loan. If a CWSRF does not close due to specific reasons, the entire \$75k is forgiven.
- Planning and Design Loans – Provide 0% Interest Loans for Projects that are not Ready to Proceed. These Loans provide funding for design and planning costs not covered under planning advances grant. Loan will be combined with the loan request for capital portion of the project.
- Wastewater Asset Management Grants – Up to a \$100k grant is available to assist with the development of an asset management plan.

- Septic Rehabilitation Grants (5-year Pilot) – Up to \$1,000,000 from NFAA and up to \$500,000 per year from the Clean Water Trust available to individual homeowners for the rehabilitation or replacement of failing septic systems.
- WIAC Subcommittees – Subcommittees were formed to discuss and facilitate a path forward for helping loans close on time and to help ensure that closed projects are completed on time.

First Use for Enforceable Requirements Certification

Delaware certifies that all its municipal facilities are in substantial compliance with their current National Pollutant Discharge Elimination System (NPDES) permits.

Program Pace Requirement

The indicator for program pace, “Loans as a Percentage of Funds Available,” is calculated by dividing the total amount of executed loans by the total amount of funds available for projects. This indicator shows whether a State is using its available funds in an expeditious and timely manner. It compares the amount of closed loans to the total amount of funds available. One of the CWSRF’s short-term goals is to maintain a cumulative program pace that exceeds 95 percent for signed binding loan commitments.

Equivalency Designation Requirement

CWSRF Base Grant - \$7,788,000 will use the Kent County US 13 Force Main Replacement Phase 2 (\$9,020,000 in total; will report \$7,788,000).

CWSRF Supplemental - \$12,094,000 will use the Kent County Rt 13 30” Main Relocation (\$12,650,000 in total; will report \$12,094,000).

CWSRF Emerging Contaminants - \$1,110,000 will use the City of Wilmington WWTP EC Gasification Integration for PFAS Removal (\$1,500,000 in total will; report \$1,110,000).

XIII. CWSRF and DWSRF Federal Fund Transferability

Delaware reserves the right to transfer Capitalization Grant and loan repayment monies between the State’s CWSRF and the DWSRF programs as necessary to ensure the full utilization of the Federal assistance.

XIV. CWSRF Municipal and Green Projects - Funding List

Attachment A provides a list of wastewater and green projects that will be funded with CWSRF funds. The list includes the 2026 PPL Rank Order, PPL Year, PPL Score, Applicant Name, Project Name, Population Served, Waterbody/NPDES Permit, Total Project Cost, CWSRF Financing, and Type of Assistance.

XV. Non-Federal Administration Account

Delaware has established a NFAA funded by fifty percent of the overall interest collected as the administrative fee charged on CWSRF municipal loans. The fee is collected from the interest portion of municipal loan repayments over the term of each loan. The NFAA is accounted for and managed separately from the corpus of the CWSRF. Funds in the NFAA are not considered CWSRF program income as the Federal capitalization grants which originally funded the loans are financially closed-out prior to receiving fees from completed projects.

Historically, the NFAA has been used to supplement the program administration allowance associated with each Federal capitalization grant, and to fund the salaries for other water quality positions in the Division of Water. Additionally, the NFAA is used for a number of innovative water quality programs that in part help to facilitate new CWSRF loan demand. The planned uses are consistent with EPA's Guidance on Fees Charged by States to Recipients of CWSRF Program Assistance, 40 CFR Part 35. A conservative estimate of the NFAA revenue and planned uses are provided in Attachment B.

Total annual revenue for the CWSRF NFAA in SFY2025 was \$2,912,097, which includes \$720,319 of CWSRF Federal Admin revenue. Total CWSRF NFAA Expenses were \$4,112,282, which include \$1,688,288 for EF activities; Water/Watershed technical program expenses \$521,839; wastewater/surface-water grant expenses of \$417,516; and \$1,484,639 of Septic Rehabilitation Grant expenses. The ending available fund balance for SFY2025 was \$5,660,571. Below is a list of the 2025 uses.

- CWSRF Program Administrative Expenses
- 5 Division of Water Positions
- Septic Rehabilitation Grant Program
- Community Water Quality Improvement Grants
- Wastewater Matching Planning Grants
- Stormwater Matching Planning Grants
- Wastewater Asset Management Grants
- Wastewater Planning Advances
- Wastewater Needs Assessment
- Stormwater Needs Assessment

The NFAA is reviewed semi-annually to ensure its sustainability before additional uses are considered. The CWSRF's Annual Report includes a description of the NFAA, fees charged, actual use, and the remaining balance in the account. All grant programs will be reviewed periodically for effectiveness in generating CWSRF loans.

XVI. APPENDIX

- Attachment A 2026 CWSRF Wastewater & GPR Projects – Funding List
- Attachment B Non-Fed Admin Current & Planned Uses
- Attachment C Cumulative Binding Commitments & Disbursements
- Attachment D FFY 2026 ACH Payment Schedule
- Attachment E 2015 PPL SOP

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | |
|---|---------------|-----------|--|---|-------------------|---|--------------------|--------------|-----------------|----------------|------------------|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type |
| 2021 | 6 | 80 | City of Seaford | Seaford WWTF - Upgrade & Expansion of Selected Improvements | 8,000 | Chesapeake Bay - Nanticoke River NPDES DE0020265 | \$30,739,315 | N/A | N/A | \$30,739,315 | 212 |
| <p>Description of Project and Problem: The City of Seaford owns and operates a wastewater treatment facility with a rated hydraulic capacity of 2.0 MGD. GMB prepared and submitted to DNREC a Preliminary Engineering Report (PER) on July 26, 2017, for Seaford WWTF Upgrade & Expansion to a capacity of 3.0 MGD. The PER was deemed acceptable to DNREC by email dated May 2, 2019. The design of selected common elements will follow those recommendations provided in the PER document. The scope of improvements planned for the current project includes the following Upgrade and Expansion Improvements: Headworks Structure and Primary Screening Improvements, Influent Pumping Station Rehabilitation and Improvements, New Grit Removal / Handling Structure Including Flow Splitter Box and provisions for future Secondary Screening Equipment, Rehabilitation of both Primary Clarifiers, New Septage and Leachate Handling Facility located at Existing Compost Site, Electrical Power, Mechanical (HVAC) and Controls/SCADA improvements necessary to serve Proposed Improvement areas, Site and Stormwater Management design related to Proposed Improvements, Sea Level Rise Mitigation Considerations related to Proposed Improvements. The proposed project is the first step to upgrading and expanding the Seaford WWTF. The upgrade and expansion improvements are being phased to allow the project to be more affordable and to address attrition that some unit processes are exhibiting. At a later point in time the remainder of the WWTF (biological system, etc.) will be upgraded and expanded. At that point the facility will have a rated capacity of 3.0 MGD and treat to ENR effluent quality standards.</p> | | | | | | | | | | | |
| 2021 | 13 | 60 | New Castle County Department of Public Works | NCC Southern Sanitary Sewer Area - Expanded Treatment and Outfall | 90,000 | Chesapeake Bay - C & D Canal West N/A | \$26,767,000 | N/A | N/A | \$26,767,000 | 212 |
| <p>Description of Project and Problem: The purpose of the project is to upgrade the existing New Castle County Water Farm Treatment Plant, serving the County's Southern Sewer Service Area (SSSA), including a new discharge to the Delaware River and increasing the facilities current wastewater treatment capacity. The SSSA includes the majority of the land areas within the County south of Chesapeake and Delaware Canal and north of the Middletown-Odessa-Townsend urban area. The current wastewater flow in the SSSA is approximately 1.15 million gallons per day (MGD) and is expected to reach 1.8 MGD within the next four years, exceeding the current disposal capacity. The project proposes to increase the treatment and disposal capacity to 5.0 MGD, which is the anticipated long-term demand of the SSSA at year 2050. Additionally, the project will eliminate the existing Port Penn Treatment plant, rerouting the Port Penn flow to the existing Water Farm Plant through a new pump station and force main serving Port Penn, effectively eliminating both the Port Penn and Water Farm discharges to the Appoquinimink River. This project will result in a net reduction of NPDES permitted outfalls and eliminate discharge into a TMDL impaired water course.</p> | | | | | | | | | | | |
| 2024 | 4 | 70 | City of Wilmington | CSO 30 Discharge Reduction | 70,898 | Delaware Bay & Estuary - Christina River NPDES DE0020320 | \$43,000,000 | N/A | N/A | \$43,000,000 | 212 |
| <p>Description of Project and Problem: CSO30 is the largest sewer shed in the Wilmington combined sewer area and is ranked as the highest priority area for reduction in excess flows. Previously performed hydraulic modeling also indicates that select areas in the lower portion of the CSO30 sewer shed are at risk of experiencing surface flooding from the combined sewer during large rainfall events. Related to water quality impacts, CSO30 has the highest CSO volume and the highest dry weather flow ratio making it the largest contributor of sewer overflow volume and nutrient loading to the Christina River than any other sewer shed in Wilmington. The CSO30 Discharge Reduction Project continues that commitment through the combined use and optimization of multiple methods. One method uses sewer separation to reduce direct inflow of excess water to the combined sewer system in locations where redirecting stormwater to a municipal separated storm sewer system (MS4) is practical and economical. Another method uses inline or offline storage to attenuate excess flow and hold it until after the storm event, when the combined wastewater can then be safely conveyed to the wastewater treatment plant. The CSO30 Discharge Reduction Project will reduce the quantity and frequency of combined sewer overflow discharges to the Christina River which will improve the water quality in the river. The project will also mitigate surface flooding, improving the health and safety of the community, preventing property damage, and reducing disruption to businesses and commercial activities in the City. Any new storage in the CSO30 sewer shed will be operated and controlled using the readily available RTC optimization system.</p> <p><u>The major components of this project are:</u></p> <ul style="list-style-type: none"> • Installation of new stormwater pipes and manholes. • Installation of new drainage inlets. • Installation of box manholes. • Replacement of drainage inlets. • Enhancement of drainage vaults. • Rehabilitation or renewal of existing combined sewer pipes and manholes. • Construction of inline or offline storage facilities. • Utility Conflict Resolution - The projected construction areas are characterized by the presence of numerous utilities including the existing CSO and overflow, proposed storm sewer, communication ducts, large electric duct bank encased in concrete, as well as various water and gas mains. | | | | | | | | | | | |
| 2024 | 5 | 70 | City of Wilmington | CSO 4a Discharge Reduction | 70,898 | Delaware Bay & Estuary - Christina River NPDES DE0020320 | \$34,000,000 | N/A | N/A | \$34,000,000 | 212 |
| <p>Description of Project and Problem: CSO4a is the third largest sewer shed in the Wilmington combined sewer area and is ranked as the second highest priority area for reduction in excess flows. Previously performed hydraulic modeling also indicates that select areas within the CSO4a sewer shed are at risk of experiencing surface flooding from the combined sewer during large rainfall events. Related to water quality impacts, the volume of discharges through CSO4a is a significant contributor to the nutrient loading to Brandywine Creek. The CSO4a Discharge Reduction Project continues that commitment through the combined use and optimization of multiple methods. One method uses sewer separation to reduce runoff flows to the combined sewer system in locations where redirecting stormwater to a municipal separated storm sewer system (MS4) is practical and economical. Another method uses inline or offline storage to attenuate excess flow and hold it until after the storm event, when the combined wastewater can then be safely conveyed to the wastewater treatment plant. The CSO4a Discharge Reduction Project will reduce the quantity and frequency of combined sewer overflow discharges to the Brandywine Creek which will improve the water quality in the river. The project will also mitigate surface flooding, improving the health and safety of the community, preventing property damage, and reducing disruption to businesses and commercial activities in the City. Any new storage in the CSO4a sewer shed will be operated and controlled using the readily available RTC optimization system.</p> <p><u>Project Scope</u></p> <p>The major components of this project are:</p> <ul style="list-style-type: none"> • Installation of new stormwater pipes and manholes. • Installation of new drainage inlets. • Installation of box manholes. • Replacement of drainage inlets. • Enhancement of drainage vaults. • Rehabilitation or renewal of existing combined sewer pipes and manholes. • Construction of inline or offline storage facilities. • Utility Conflict Resolution - The projected construction areas are characterized by the presence of numerous utilities including the existing CSO and overflow, proposed storm sewer, communication ducts, large electric duct bank encased in concrete, as well as various water and gas mains. | | | | | | | | | | | |
| 2024 | 6 | 68 | Sussex County Council | Bethany Forest | 326 | Inland Bays - Indian River Bay N/A | \$4,870,300 | N/A | N/A | \$4,870,300 | 212 |
| <p>Description of Project and Problem: This project consists of a gravity collection and conveyance system to serve the Bethany Forest subdivision a community in the Millville Area that has been annexed into the boundary of the Sussex County Unified Sanitary Sewer District (SCUSSD). The proposed collection system will connect to the County's existing gravity line near the intersection of Whites Neck Road and Sanderling Road. The project will provide lateral connections to all parcels within the Bethany Forest subdivision. The community requested petitions several years ago and there was insufficient interest. The HOA at a more recent meeting received inquiries into central sewer and as a result distributed polling letters to the community. The HOA presented the polling letters to the Engineering Department showing (60) in favor, (12) opposed and (21) failed to respond. The department then requested to hold a public hearing for the community explaining the potential project, costs and timeline. During the public hearing the department asked those in attendance if we should proceed with the annexation and the majority in attendance were in favor. With that the department made the request to County Council and the annexation was approved. This will remove approximately 89 existing on-site septic systems and eliminate the need for any future on-site systems in the community. This community is directly adjacent to the Joshua and Edger Prongs of the Indian River Bay.</p> | | | | | | | | | | | |

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | |
|--|---------------|-----------|---|---|-------------------|---|--------------------|--------------|-----------------|----------------|------------------|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type |
| 2024 | 11 | 60 | City of Wilmington | Secondary Treatment Rehabilitation 2024 | 70,898 | Piedmont - Brandywine Creek NPDES DE0020320 | \$6,000,000 | N/A | N/A | \$6,000,000 | 212 |
| <p>Description of Project and Problem: The existing aeration and final basin (secondary clarifier) structures were built in 1971 and expanded in 1993. Aeration grids have not been replaced in almost 20 years. The steel and concrete structures have severely deteriorated and corroded, resulting in safety hazards, operational inefficiencies, and reduced reliability. The tanks and mechanical equipment are beyond their useful life. Additionally, many mechanical components and electrical controls are obsolete and need to be upgraded to accommodate more operational flexibility. Structural repairs and mechanical upgrades are needed. This project is for the next phase of the ongoing construction project.</p> <p>Project Scope The major components of this project are: - Final Basins Rehabilitation: includes longitudinal and cross collectors, collector motors, structural repairs to concrete and steel. - Aeration Tank Overhauls: includes new fine-bubble diffuser grids, instrumentation, new controls, structural repairs, replacement of walkways with grating.</p> | | | | | | | | | | | |
| 2025 | 4 | 47 | Kent County Levy Court Department of Public Works | Hedgerow Hollow MHP Septic Elimination | 118 | Delaware Bay & Estuary - Smyrna River NPDES DE 0020338 | \$2,000,000 | N/A | N/A | \$2,000,000 | 212 |
| <p>Description of Project and Problem: The "Hedgerow Hollow MHP Septic Elimination Project" is for the construction of the central sewer system to serve the Hedgerow Hollow MHP and the adjacent, infill properties, to connect about 55 units (MHP – 50 units and adjacent properties – 5 units), and abandon the onsite septic system tanks. The proposed sewer system will consist of gravity mains, a duplex grinder pump station, and a force main which will connect to the existing gravity sewer system located in the Burtonwood Village Subdivision. Hedgerow Hollow Mobile Home Park, located on Dupont Boulevard, south of the Town of Smyrna, is a mobile home community of 50 approved berthing spaces. It was initially constructed in the 1960's. The mobile home park is scheduled to be added to the Kent County Sewage Disposal District No. 1 in March of 2025 with Levy Court's adoption of a Resolution.</p> | | | | | | | | | | | |
| 2025 | 5 | 38 | Diamond State Sustainability Corporation | Grants Way Septic Elimination | 160 | Delaware Bay & Estuary - Broadkill River State Permit # 359109-103 | \$4,920,000 | N/A | N/A | \$4,920,000 | 212 |
| <p>Description of Project and Problem: Grants Way is located on Broadkill Rd just east of the intersection with Rt. 1. The Grants Way community septic system is owned and operated by Diamond State Sustainability Corporation (DSSC). DSSC is a 501C3 non-profit wastewater utility regulated by the Public Service Commission. The Grants Way community consists of 80 subdivided lots. Of the existing lots, 79 are single family homes and 1 lot is the Tidewater water facility. Generally, two houses share one 1,500 gallon septic tank providing primary treatment. The remaining wastewater is disposed of at the community drain field. The drain field is adjacent to Prime Hook Wildlife Refuge. The development is located within the Prime Hook subwatershed of the Broadkill watershed. The system is approximately 30 years old. Several of the septic tanks are losing their structural integrity. Frequently, because 2 homeowners share a septic tank, high solids wastewater from 1 homeowner can cause the neighboring user to experience back-ups. The existing collection system is 4-inch gravity piping. This system is reaching its useful life. It is not expected that this system can be sustainably maintained and operated for the long term and is not deemed a reliable, long-term solution for the community. It is proposed to install a collection and transmission system meeting Sussex County Ordinance 38 standards. After the wastewater is collected, it would be pumped to the nearby Woodfield Preserve development that is serviced by Artesian. The wastewater from Woodfield Preserve is then pumped to one of Artesian's state-of-the-art wastewater treatment and disposal systems. Capacity at Artesian's facility would need to be acquired via the payment of impact fees. These upgrades would provide a sustainable, long term wastewater solution for the community. This plan would be consistent with DNREC and Sussex County sewer standards and policies because 1) the infrastructure would be constructed to Ordinance 38 standards, 2) it leverages existing treatment and disposal capacities, 3) regionalization is promoted, 4) duplicate infrastructure is not built, and 5) septic systems are eliminated from the Broadkill Watershed.</p> | | | | | | | | | | | |
| 2025 | 7 | 35 | City of Seaford | Martin Farms Sewer Relocation - Phase 2 | 80 | Chesapeake Bay - Nanticoke River NPDES DE0020265 | \$2,070,000 | N/A | N/A | \$2,070,000 | 212 |
| <p>Description of Project and Problem: The existing Martin Farms neighborhood water and sewer system is aging, contains lead water services and is misaligned with the mains located in the backyards of the residences of this area via an easement. The location of the utilities makes access for maintenance very difficult and burdensome to the City. This project would relocate the utilities into the paved roadway which will provide better access as well as update approximately 70-year-old pipe. The four-inch (4") and eight-inch (8") cast iron water main is known to have lead gooseneck bends for each service and would be replaced with new mains and services to each residence in the neighborhood. Sewer: The project will install approximately 2,095 feet of 8-inch gravity sewer main, 906 feet of 12-inch gravity sewer main (connected into the existing collection system on Sussex Avenue), fifteen manholes and covers, and 31 new laterals to residences. The new sewer main will consolidate two 8" clay sewer mains behind the homes in each block into one main in the roadway along with new services.</p> | | | | | | | | | | | |
| 2025 | 10 | 21 | Sandhill Acres MHC, LLC | Sandhill Acres MHP Septic Elimination | 120 | Delaware Bay & Estuary - Broadkill River | \$2,480,000 | N/A | N/A | \$2,480,000 | 212 |
| <p>Description of Project and Problem: Sand Hill Mobile Home Park is located on Sand Hill Rd just northeast of the Town of Georgetown. The park consists of 38 existing mobile homes. Currently, the park has several onsite septic systems consisting of elevated sand mounds located throughout the park. Leeward Chase, a new development located on Lewes-Georgetown Highway (Rt. 9), is scheduled to commence construction this year. This development will receive sewer service from Sussex County. The proposed project consists of the installation of a new gravity collection system, pump station, and force main to collect and convey the wastewater from Sand Hill Mobile Home Park to Leeward Chase. The system would be designed and constructed according to Sussex County standards. Sand Hill Mobile Home Park would request to be added to Sussex County's Unified Sewer District. Upon completion of the project, the residents would be sewer customers of Sussex County. Ongoing asset management of the system would then be provided by Sussex County. This would provide for the elimination of onsite wastewater systems meeting the goals of the Broadkill Watershed Pollution Control Strategy and provide a permanent wastewater solution to the community.</p> | | | | | | | | | | | |
| 2025 | 11 | 20 | Kent County Levy Court Department of Public Works | Main Transmission Forcemain Replacement - Murderkill River Crossing | 106,000 | Delaware Bay & Estuary - St. Jones River NPDES DE 0020338 | \$2,700,000 | N/A | N/A | \$675,000 | 212 |
| <p>Description of Project and Problem: The 36" diameter pipeline which crosses the Murderkill River was installed in the 1970's. It is used to transmit flows from areas north of Frederica to Kent County's wastewater treatment plant. The sewer flows include discharge from state facilities in southern New Castle County, Town of Smyrna, Town of Clayton, Town of Cheswold, City of Dover, and un-incorporated service areas served by the County. In 2002, significant repairs were made to the joints on the aerial crossing as well as repairs to the submerged pipe, necessary due to the poor condition of the couplings. Deteriorated bolts were replaced; custom-made repair pieces were ordered; and a marine contractor installed coffer dams on each side of the river to isolate the pipeline. These repairs have extended the life of the main transmission line for future replacement. The pipe replacement is required for the protection of the public health and environment for the community and is necessary to provide continued service. Failure to address the replacement of this portion of 36" diameter pipeline presents a risk of future pipe failures with impacts on the public and the environment. This project is the replacement of a portion of the original 1970's 36"-diameter concrete and ductile iron force main that crosses the floodway of the Murderkill River. The existing floodway crossing consists of about 1,000 feet of concrete pipe supported on pile bents above the salt marsh on both sides of the river. The aerial concrete pipe connects to 300 feet of the ductile iron pipe across the river. To minimize environmental impacts, the project includes a directional pipe bore from adjacent farmlands, across the floodway to install about 2,000 feet of new 36" HDPE force main, and connections at both ends to the existing piping. The existing pipe will remain in service during construction. Once the new pipe is in service, the existing pipe may be evaluated to determine if rehabilitation is feasible or if abandonment/removal is required.</p> | | | | | | | | | | | |
| 2025 | 12 | 20 | Kent County Levy Court Department of Public Works | Route 13 30" Dia. Forcemain Relocation – PS3 to Puncheon Run | 106,000 | Delaware Bay & Estuary - St. Jones River NPDES DE 0020338 | \$12,650,000 | N/A | N/A | \$12,650,000 | 212 |
| <p>Description of Project and Problem: In 2010, an existing sewer pipeline experienced a localized failure due to crown corrosion at a location near L&D Cycles, 1070 S Dupont Highway, Dover and north of the intersection of US 13 and Roosevelt Avenue in Dover, DE. The worst deterioration from corrosion typically occurs in the highest points of the County's transmission system where gas collects. Repairs were completed. More pipe failures occurred in February 2019, February 2021, and May 2023, at Carrolls Plaza, 1114 S. Dupont Highway, Dover, DE, which is just south of US 13 and Roosevelt Avenue. These failures were in the bottom half of the pipe and may be related to installation damage or material defects. Localized repairs were completed for each pipe failure. Respectively, sanitary sewer overflows entered the St. Jones River and tributaries and/or the Puncheon Run Creek in the amounts of 53,000 gallons, 1.75 to 2.6 million gallons, and 3.1 million gallons. The repeated frequency and increasing impact have not gone unnoticed. Replacement of the pipe is required for the protection of public health and environment for the community and is necessary to provide continued service. Failure to address the replacement of the 30" diameter pipe in the area of Carrolls Plaza presents a risk of future pipe failures with impacts to the public and the environment. This project is the partial replacement of the original 1970's 30"-diameter concrete force main from Pump Station #3 (PS#3, Water Street, Dover, DE) to Pump Station #4 (PS#4, Locust Grove Rd., Dover, DE), starting at PS#3 to Puncheon Run Creek for about 9,000 feet. Pump Station #3 receives sewer from state facilities in southern New Castle County, the Town of Smyrna, the City of Dover, and un-incorporated service areas served by the County. The existing pipe will remain in service during construction. Thereafter, the existing pipe may be evaluated to determine if rehabilitation is feasible.</p> | | | | | | | | | | | |

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | |
|--|---------------|-----------|---|--|-------------------|--|--------------------|--------------|-----------------|----------------|------------------|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type |
| 2025 | 13 | 20 | Kent County Levy Court Department of Public Works | US 13 Force Main Replacement Project - Puncheon Run to Rising Sun Road Phase 2 | 106,000 | Delaware Bay & Estuary - St. Jones River NPDES DE 0020338 | \$16,020,000 | N/A | N/A | \$9,020,000 | 212 |
| <p>Description of Project and Problem: The Kent County Levy Court (KCLC) owns a county-wide sanitary sewer collection, conveyance and treatment system operated by the Kent County Department of Public Works (KCDPW). The system includes gravity and force main facilities that transmit sewage from throughout the county to the Kent County Wastewater Treatment Plant in Frederica, located toward the southern end of the county (just outside the Town of Frederica). The Delaware Department of Transportation (DelDOT) is developing construction plans for Contract T201500202 – US 13, Lochmeath Way to Puncheon Run Connector and the Contract T201709503 – East Camden Bypass (ECB) is under way. The projects are directly adjacent to each other and include roadway widening and safety upgrades to US 13 and SR 10. Originally, funded as one project through the Delaware Pollution Control Revolving Loan Fund, due to DelDOT's scheduling we are splitting the funding into two phases. The existing loan commitment will be used for design costs and Phase 1 construction. Phase 1 is the ECB portion of the force main replacement project and is expected to be completed in 2025. Phase 2 is the Lochmeath Way to Puncheon Run project and has been pushed back several times by DelDOT and is currently scheduled to start construction in summer of 2026. The utility relocation portion of the DelDOT project should be completed in the first 1.5 years of the project. KCDPW maintains a 30" force main sanitary sewer (FM SS) within the limits of the DelDOT projects, from the Puncheon Run to the intersection of SR 10 and Rising Sun Road. The existing 30" FM SS is a prestressed concrete cylinder pipe (PCCP) that was installed in 1970-1971. The average daily flow through the pipe in 2019 was 6.7 million gallons per day (mgd), ranging up to 8.7mgd, equating to approximately 50 percent of all the wastewater treated at the Kent County Wastewater Treatment Facility. Phase 2 will replace the portion of the 30" force main from Puncheon Run to Old North Road at the Delaware Department of Agriculture approximately 9,000 feet. A 16" ductile iron pipe (DIP) running from Pump Station #14 at Isaacs Branch is connected to the 30" FM SS. A valve on this pipe currently diverts flow from the pump station to a 16" bypass system. The bypass system runs in the median of US 13 to the southern limits of the DelDOT project, south of Lochmeath Way. The 16" bypass system includes a short section of 10" PVC pipe, running from a valve near the Isaacs Branch pump station to the median of US 13, just south of Isaacs Branch. The infrastructure constructed during the early 1970's has recently experienced serious maintenance issues, including pipe crown deterioration and several ruptures, due to sewer gasses present and the age/material of the pipe. Given the age and maintenance concerns with the existing 30" PCCP, a study was prepared through KCDPW and DelDOT to assess the risks to this facility due to construction of the above noted DelDOT projects. The study considered: Structural integrity of the PCCP due to stresses induced by vibrations from construction equipment, inadvertent hits by construction equipment and added live load stresses due to roadway widening over the existing sewer line; and spot relocations due to unavoidable conflicts with the proposed DelDOT drainage system. Based on the study's conclusions, KCDPW proposes replacing the existing 30" PCCP within the limits of the DelDOT projects with a new 30" ductile iron pipe (DIP). The new 30" FM SS will be located along the west side of US 13 from the Puncheon Run to the US 13 / Old North Road where it will connect to the new ECB portion. As a part of this work the 16" DIP from the Isaacs Branch pump station will be extended to connect with the proposed 30" DIP and the 10" PVC portion of the existing bypass system will be upgraded to a 16" DIP for system continuity and flow capability. DelDOT concurs with this approach and is preparing an agreement with KCLC to include the necessary sewer work in their road construction contracts along with monetary reimbursement for work that would previously have been required to remedy conflicts with proposed DelDOT drainage facilities. The agreement is currently being reviewed by DelDOT. This project is critical to maintaining the County's sewer infrastructure. The result will be a transmission line that will mitigate any potential transportation, environmental, public health, and safety impacts within the project limits.</p> | | | | | | | | | | | |
| 2026 | 1 | 80 | City of Wilmington | CSO 29 Outfall Rehabilitation | 80,000 | Piedmont - Brandywine Creek NPDES DE0020320 | \$1,050,000 | N/A | N/A | \$1,000,000 | 212 |
| <p>Description of Project and Problem: The City of Wilmington maintains 32 CSO outfall structures of various type/design. CSO29 is an outfall that is associated with a complex storage tank/diversion structure that is integrated with the City's Real Time control system. The CSO29 outfall structure however is over 60 years old and located over 1,000 feet downstream of the updated systems. The flow from the CSO29 drains into an unnamed creek in Canby Park West just north of Route 4, Maryland Avenue. The outfall structure itself has separated from the outfall pipe because of erosion of the hillside it was built into. The erosion has exposed the full structure on the top and side and has removed the soil on which the structure was placed, resulting in the structure separating and dropping roughly 5 feet down onto the new grade which is equal with the existing creek. The structure will need to be removed and replaced with a new structure.</p> | | | | | | | | | | | |
| 2026 | 2 | 80 | City of Wilmington | Emerging Contaminant / Gasification Integration for PFAS Removal | 80,000 | Piedmont - Shellpot Creek NPDES DE0020320 | \$1,500,000 | N/A | N/A | \$1,500,000 | 212 |
| <p>Description of Project and Problem: The State of Delaware is advancing stringent regulatory requirements for PFAS in biosolids intended for land applications. PFAS, or per/polyfluoroalkyl substances, often called "forever chemicals" due to their persistence and resistance to degradation, have become a key focus of emerging contaminant regulation led by both the EPA and the State. As these standards take effect, wastewater utilities must adopt new treatment approaches to ensure biosolids comply with tightening limits. To address this need, the City is partnering with Trashology to pilot their proprietary gasification technology, Pur-Gen, at the Wilmington Wastewater Treatment Plant. The pilot will evaluate the system's technical performance, operational reliability, and potential for full-scale implementation as part of the City's long-term biosolids management strategy. The first phase of the Biosolids Gasification Integration for PFAS Removal project is underway, and involves installation and integration of the pilot gasification unit with existing solids processing operations. The pilot is anticipated to deploy in Summer of 2026 and will allow Jacobs and the City of Wilmington to confirm PFAS destruction efficiency under real operating conditions and assess compatibility with the plant's biosolids handling requirements. Results from the pilot will guide the City of Wilmington's decision regarding full-scale deployment of Pur-Gen. Following the validation of technology, the City of Wilmington wishes to proceed with full-scale implementation of the project, to continue pushing towards long-term biosolids management strategies. The next project phases include full-scale design basis development, including engineering evaluation of the existing site and its operational demands, and the design, procurement, and installation of PFAS gasification technology.</p> | | | | | | | | | | | |
| 2026 | 3 | 80 | City of Wilmington | Rockford Road CSO and Stormwater Flood Reduction | 80,000 | Piedmont - Brandywine Creek NPDES DE0020320 | \$13,000,000 | N/A | N/A | \$13,000,000 | 212 |
| <p>Description of Project and Problem: The City of Wilmington (City) is served by a combined sewer system, which is designed to collect and convey both sanitary wastewater and stormwater to the City's wastewater treatment plant for reclamation prior to discharge to the Delaware River. During certain rainfall events, the amount of stormwater entering the combined sewer system exceeds the conveyance capacity of the system. During these events, excess untreated flow is discharged from combined sewer overflow outfalls to receiving waters, impacting their water quality, and posing a potential health risk. The City has a current Long-Term Control Plan (LTCP) that establishes an annual CSO capture rate and defines an allowable number of discharges from certain CSO outfalls. One of those outfalls is the Rockford Road CSO, which is upstream of the City's drinking water intake. Hydraulic modeling, performed by the City's modeling consultant, indicates that the Rockford Road CSO may not achieve the LTCP level of service and that additional improvements beyond the completed partial separation of the sewer system are necessary to achieve the LTCP objectives for Rockford Road CSO. Additionally, during larger rainfall events, the stormwater runoff tributary to the municipal separated storm sewer system (MS4) can exceed the conveyance capacity of the storm sewer along Rockford Road, leading to stormwater flooding in the community. The flood waters on the ground surface pose a health risk and safety hazard to the community. The City has maintained a long-standing commitment to protecting the health and safety of its residents, achieving the objectives of the LTCP, and improving the quality of its surface waters through the reduction and management of stormwater that enters its combined sewer system. To that effect, the City conducted multiple key projects over the last two decades, as part of their Long-Term Control Plan, to mitigate CSOs. Some of the key projects include multiple sewer / storm separation projects, the construction and the implementation of the Canby Park storage tank, the implementation of Global and Optimal Real Time Control (RTC) system to optimize the utilization of the existing sewer collection system facilities, the development of a comprehensive detailed hydraulic model, the monitoring of the CSO outfalls, and the continuous improvement of the reliability and availability of the 11th St. pumping station. The Rockford Road CSO and Stormwater Flood Reduction Project continues that commitment through the combined use and optimization of multiple strategies to manage excess flow. With respect to achieving the LTCP level of service for the Rockford Road CSO, the project uses improved conveyance capacity and localized storage in the form of an expanded pump station wet well to manage excess flow from the combined sewer system. With respect to storm water flood reduction, the project proposes to use increased MS4 conveyance capacity and retention of stormwater peak flow to mitigate storm water flooding along Rockford Road. The Rockford Road CSO and Stormwater Reduction Project will reduce the quantity and frequency of combined sewer overflow discharges to the Brandywine Creek which will improve the water quality in the river. The project will also mitigate surface flooding, improving the health and safety of the community, preventing property damage, and reducing disruption to residents.</p> | | | | | | | | | | | |
| 2026 | 4 | 80 | City of Wilmington | Small Diameter Collection System Rehabilitation | 80,000 | Piedmont - Brandywine Creek NPDES DE0020320 | \$2,450,000 | N/A | N/A | \$2,200,000 | 212 |
| <p>Description of Project and Problem: The City of Wilmington Sewer Assessment and Rehabilitation program is an ongoing effort to maintain or improve the level of service of the sewer collection system including both large and small diameter pipes. The City has implemented an annual inspection program for the small diameter pipes (>42" in diameter) to assess their condition. The incremental program of CCTV (Video) inspection program targets project areas according to their maintenance history and priority. For each project area, a contractor inspects the pipe and provides CCTV video to a team of sewer engineers. The team reviews the inspection videos and documents in a project database and a recommended course of action: 1) replacement 2) repair 3) rehabilitation 4) schedule for reinspection. The immediate replacement and repairs are implemented under the City's on-call sewer contract or may be assigned to an excavation and replacement contract. City proposes to implement a trenchless rehabilitation contract for those pipes which currently provide adequate service but are projected to fail in the near term due to the defects documented in the inspection and condition assessment program described above.</p> | | | | | | | | | | | |

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | |
|---|---------------|-----------|-----------------------|---|-------------------|---|--------------------|--------------|-----------------|----------------|------------------|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type |
| 2026 | 5 | 77 | Laurel Village MHC | Laurel Village Mobile Home Park Sewer Upgrades | 1,750 | Chesapeake Bay - Nanticoke River | \$7,000,000 | N/A | N/A | \$7,000,000 | 212 |
| <p>Description of Project and Problem: Laurel Village is a manufactured home community (MHC) located in Laurel, Delaware (Sussex County). Residents own the manufactured homes, and the land and utility infrastructure are owned by Lansberry Communities. The MHC is currently managed by Arcap LC, a property management firm. Laurel Village is receiving engineering and technical support through the U.S. Environmental Protection Agency's Closing America's Wastewater Access Gap (CAWAG) initiative.</p> <p>Laurel Village is comprised of 310 lots and ~1,750 residents. Approximately 60 percent of homes are on individual septic (1 tank + drain field shared with 2 to 3 homes), and the remaining 40 percent are on a septic tank effluent gravity (STEG) system (1 tank shared with 2 homes) with gravity conveyance of the liquid effluent to two pump stations and large-scale drain fields. The following assessment of need is based on an initial site visit in December 2025. All septic systems at Laurel Village currently exceed 30 years in age, and systems installed in the oldest portion of the park exceed 60 years. Systems are all presumed to be at or near the end of their useful life. Of the 297 occupied lots, 13 percent (41 homes) are experiencing active septic failure and 47 percent (140 homes) are estimated to need replacement in the next 1 to 3 years. Surfacing and overflows are mitigated through a strict weekly-to-monthly pumping schedule that is maintained by Arcap LC. In 2025, an average of 11.7 pump-outs were required each week at an estimated cost of \$20,000 per month. Despite this, public health and environmental risks to the current situation remain:</p> <ul style="list-style-type: none"> •Potable water for the MHC is supplied by groundwater with no filtration or disinfection steps, and there is risk of microbiological contamination from the failing septic. •The wetlands that abut the northern half of the MHC are at risk of contamination via failing septic systems. •The presence of large numbers of children and animals living at the MHC and in proximity to failing septic systems and flooded drain fields presents a risk to public health and public safety. | | | | | | | | | | | |
| 2026 | 6 | 70 | City of Wilmington | Large Diameter Collection System Rehabilitation | 80,000 | Piedmont - Brandywine Creek NPDES DE0020320 | \$2,120,000 | N/A | N/A | \$2,000,000 | 212 |
| <p>Description of Project and Problem: The City of Wilmington Sewer Assessment and Rehabilitation program is an ongoing effort to maintain or improve the level of service of the sewer collection system including both large and small diameter pipes. The City's large diameter program utilizes manned entry inspections when possible. The City recently inspected a high percentage of large diameter pipe. Comprehensive projects are being laid out in the long-term plan, which will most likely require SRF funds in the future. Immediate needs have been identified that will require repairs or lining. The work will vary in length depending on the defect. The defects that are slated for repair are larger than what most consider a point repair, but not long enough to result in long lengths of pipe from one manhole to the next. Each defect will require different construction technology, and it is possible the type of technology may change between the time of the SRF application and the receipt of the SRF loan due to further deterioration. The City intends to implement repair or lining of these defects within a few different local systems, including Shipley Run, Rattlesnake Run and Interceptor E. The consequence of failure within any of these systems would be drastic.</p> | | | | | | | | | | | |
| 2026 | 7 | 69 | Sussex County Council | Joy Beach Phase 2 | 326 | Inland Bays - Rehoboth Bay WPCC-3042C-90(Spray Irrigation) | \$4,030,000 | N/A | N/A | \$4,030,000 | 212 |
| <p>Description of Project and Problem: Install gravity collection system, pump station and force main to serve existing subdivisions and individual parcels in the Joy Beach – Phase 2 Area. Sussex County has annexed the area into the Sussex County Unified Sanitary Sewer District and is currently constructing the Phase 1 infrastructure. This Phase would eliminate existing on-site septic system and cesspools in two manufactured home parks as well as the individual parcels surrounding them</p> <p>Water Pollution Control Needs/Environmental Benefits: This is a septic elimination project to continue Sussex County's efforts to serve existing developments/homes and to eliminate existing septic systems. There have been multiple requests from residents in the area to provide a county operated sewer system. These requests include reports of failing septic and possibly cistern systems. These parcels are in close proximity to the Rehoboth Bay and wetlands that feed into the bay.</p> | | | | | | | | | | | |
| 2026 | 8 | 60 | Lewes BPW | Pump Station 6 Resiliency Improvements | 362 | Inland Bays - Lewes-Rehoboth Canal WPCC 3075H/74 | \$714,000 | N/A | N/A | \$714,000 | 212 |
| <p>Description of Project and Problem: Pump Station 6 (PS 6) is located on Connecticut Ave. at the intersection with Cedar St. The station receives gravity flows from residential and commercial properties on the bay-front peninsula between Indiana Ave. and W. Canal Street. PS-6 also receives pumped flow from PS-5 which receives flow west of Indiana Ave. PS-6 transfers wastewater via an 8 in. diameter force main, which discharges to the gravity sewer at Lewes Ave. approximately 0.19 miles away. A wooden cabinet mounted on posts of the NE corner of the intersection of Connecticut Ave. and Cedar St. houses the motor controls and other electrical equipment. The wet well is a rectangular precast concrete vault located below grade and is accessed via a hatch within Connecticut Ave.; temporary traffic management is required to safely access the wet well. As identified in the Lewes BPW's Pump Station Resiliency study, the station is vulnerable to flooding, and must be raised to meet the Lewes BPW Flood Mitigation criteria. The project will involve replacing and raising the existing control panel housing by 4.68' to be 4.64' above the 100-year base flood elevation, per BPW design guidance. The project will replace the existing electrical equipment, install a bypass connection, relocate the wet well to be outside of the roadway, add valving and relocate the existing junction box in the wet well outside of the wet well at a minimum.</p> | | | | | | | | | | | |
| 2026 | 9 | 60 | Lewes BPW | Pump Station 17 Abandonment & Pump Station 34 Resiliency Improvements | 22 | Inland Bays - Lewes-Rehoboth Canal WPCC 3075H/74 | \$630,500 | N/A | N/A | \$575,500 | 212 |
| <p>Description of Project and Problem: The project will install approximately 495 linear feet of 8-inch gravity sewer main, two manholes with covers, installation of a trash rack within the former Pump Station 17 wet well, and construction of an elevated platform for the Pump Station 34 control panel. The existing Pump Station 17, constructed in 1985, receives wastewater flow from the Huling Cove Annex, which is operated by the Delaware State Housing Authority (DSHA). The station is aging and has experienced recurring equipment failures due to age and ragging issues, along with a steady increase in operations and maintenance (O&M) costs in recent years. As a result, the Lewes Board of Public Works (BPW) conducted a study of Pump Station 17 and determined that abandonment of the facility represents the most viable long-term solution. This project will convert the existing wet well at Pump Station 17 into a manhole equipped with a trash rack to mitigate future ragging issues and will construct a new gravity sewer main to convey flow from Pump Station 17 to the existing Pump Station 34, which was constructed in 2019, located at the western end of the Huling Cove Annex parking lot. In addition, the BPW will elevate the existing control panel at Pump Station 34 above the 2050 critical flood elevation in accordance with the Lewes BPW resiliency study.</p> | | | | | | | | | | | |
| 2026 | 10 | 60 | City of Wilmington | WWTP - Aeration / Secondary Treatment Rehabilitation: Blower Replacements and Electrical Upgrades | 80,000 | Piedmont - Shellpot Creek NPDES DE0020320 | \$12,420,000 | N/A | N/A | \$12,420,000 | 212 |
| <p>Description of Project and Problem: The existing secondary treatment (aeration and secondary clarifier) structures were built in 1971 and expanded in 1993. Aeration diffuser grids had not been replaced in 20 years. The steel and concrete structures have severely deteriorated and corroded, resulting in safety hazards, operational inefficiencies, and reduced reliability. The tanks and mechanical equipment are beyond their useful life. Additionally, many mechanical components and electrical controls are obsolete and must be upgraded to accommodate more operational flexibility. Structural repairs and mechanical upgrades are needed.</p> <p>The aeration system is estimated to be responsible for over 50% of the Wilmington WWTP's overall power consumption. Aeration blowers 1- 5 are failed and out of service. Aeration Blowers 15 to 17 have undersized motors, due to restrictions in the existing Motor Control Centers (MCCs), which limit their output. Therefore, this project focuses on upgrading the existing blowers and associated electrical systems, via an ongoing rehabilitation project that will be completed in phases.</p> <p>The project is necessary to improve the long-term reliability and operability of the most critical treatment process in the regional WWTP that serves over 400,000 people in New Castle County. It will significantly reduce electricity import to decrease the carbon footprint of the WWTP, allow the City to continue to pursue its goals of meeting the US Conference of Mayors emission reduction goals, and advance the City's goal to become a net zero energy facility in the future. The City funds requested would significantly enhance the ability to have a 50% reduction in GHG.</p> | | | | | | | | | | | |
| 2026 | 11 | 60 | City of Wilmington | WWTP- Primary Bypass Upgrades | 80,000 | Piedmont - Shellpot Creek NPDES DE0020320 | \$1,600,000 | N/A | N/A | \$1,600,000 | 212 |
| <p>Description of Project and Problem: Primary bypass is an essential part of a wastewater treatment plant, ensuring continuous operation of the plant during high-flow events such as storms. The current primary bypass set-up includes bending weirs and manually operated stop plates. Because the bending weirs do not fully seal off, the stop plates are required to prevent unnecessary bypass flow. The manual stop plates are operated via boom truck, requiring an equipment operator. Actuated stop plates that can be remotely operated via SCADA will allow for tighter control of bypass events and better reporting accuracy of bypass volumes.</p> | | | | | | | | | | | |

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | |
|--|---------------|-----------|--------------------|--|-------------------|---|--------------------|--------------|-----------------|----------------|------------------|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type |
| 2026 | 12 | 60 | City of Wilmington | WWTP - Renewable Energy Biosolids Facility Upgrades | 80,000 | Piedmont - Shellpot Creek NPDES DE0020320 | \$15,000,000 | N/A | N/A | \$15,000,000 | 212 |
| <p>Description of Project and Problem: The CHP system includes a biosolids dryer that uses a combination of biogas/natural gas fired boiler heat and waste heat from two, 2 MW reciprocating engines, to reduce the biosolids disposal from 110 wet tons per day to 24 wet tons per day. In addition, the dryer produces Class A biosolids that can be used for land application or other reuse applications. The facility is currently equipped with two 2 MW biogas fueled combined heat and power engines. These engines were designed to run both 2 MW units to provide most of the electric power to the facility and heat to the biosolids dryer and digesters. Due to the fluctuations in plant electric power demand and reductions in overall demand due to aged equipment replacement and limited engine shutdown, only one of the 2 MW engines can be operated at a time, increasing the energy import from the grid. That increases operational costs of the facility, puts an undue burden on the ratepayers and increases facility's carbon emissions. In addition, more fuel gas is needed to heat the biosolids dryer, since heat recovery from operating engines is reduced.</p> <p>A smaller or smaller units would "fill the gap" by producing the energy from renewable biogas onsite, lower the facility's operating cost, incentivize further energy reduction projects and reduce the facility's carbon footprint. This project will determine the best path forward with consideration of the results of the PJM Interconnection study to initiate in April 2026.</p> | | | | | | | | | | | |
| 2026 | 13 | 56 | Gumtree Road MHC | Holiday Estates Section 1 | 72 | Inland Bays - Indian River Bay | \$1,510,000 | N/A | N/A | \$1,510,000 | 212 |
| <p>Description of Project and Problem:</p> <p>a. Holiday Estates Section I is an existing mobile home park consisting of 31 fee simple lots. Holiday Estates is located on Gumtree Road in Dagsboro. Gumtree Road, LLC is purchasing all the trailer parks lots currently owned by Timmons et al which represents a majority of the lots within the park. Each lot is served by an individual septic system.</p> <p>b. The proposed project will include the construction of a new gravity collection system, pump station, and force main which will extend to Sussex County Regional Sewer located on Nine Foot Rd in Dagsboro. After completion of construction, the system will become Sussex County infrastructure.</p> <p>c. Green Project Reserve - The development is located in a poorly drained area. Original development occurred prior to stormwater management regulations and best practices. During restoration of the roadways after gravity sewer and sewer lateral construction, the road swales will be reconstructed using stormwater management best practices including biofiltration swales and bioretention ponds.</p> | | | | | | | | | | | |
| 2026 | 14 | 55 | Town of Laurel | 8th Street Catch Basin Separation - Illicit Inflow | 4,043 | Chesapeake Bay - Broad Creek NPDES DE0020265 | \$220,000 | N/A | N/A | \$220,000 | 212 |
| <p>Description of Project and Problem: The Town of Laurel proposes to correct two illicit stormwater inflow sources associated with catch basins located in the 8th Street area that are improperly connected to the municipal sanitary sewer system. During rainfall events, these catch basins convey stormwater runoff directly into the sanitary sewer, introducing uncontrolled wet-weather inflow that reduces available hydraulic capacity and increases the risk of sanitary sewer overflows (SSOs).</p> <p>The Town qualifies as a disadvantaged community, and its wastewater infrastructure serves a population with limited financial capacity to absorb the costs of emergency repairs, system failures, or escalating user rates. Addressing these inflow sources through proactive rehabilitation is critical to protecting public health and maintaining affordable wastewater service for residents.</p> <p>The proposed project will disconnect both catch basins from the sanitary sewer system and reconfigure drainage to prevent stormwater from entering the wastewater collection system. Eliminating these illicit inflow sources will reduce peak wet-weather flows, improve system performance during storm events, and reduce unnecessary conveyance and treatment of stormwater at the wastewater treatment facility. These improvements will help prevent surcharge conditions that can lead to SSOs, basement backups, and unplanned emergency response costs.</p> | | | | | | | | | | | |
| 2026 | 15 | 55 | Town of Laurel | Central Ave and 4th Street Catch Basin Separation - Illicit Inflow | 4,043 | Chesapeake Bay - Broad Creek NPDES DE0020265 | \$220,000 | N/A | N/A | \$220,000 | 212 |
| <p>Description of Project and Problem: The Town of Laurel proposes to correct an illicit stormwater inflow source associated with a catch basin located at the old post office parking lot that is improperly connected to the municipal sanitary sewer system. During rainfall events, this catch basin conveys stormwater runoff directly into the sanitary sewer along Central Avenue, introducing uncontrolled wet-weather inflow that reduces available hydraulic capacity and increases the risk of sanitary sewer overflows (SSOs).</p> <p>The Town qualifies as a disadvantaged community, and its wastewater infrastructure serves a population with limited financial capacity to absorb the costs of emergency repairs, system failures, or escalating user rates. Addressing this inflow source through proactive rehabilitation is critical to protecting public health and maintaining affordable wastewater service for residents.</p> <p>The proposed project will disconnect the catch basin from the sanitary sewer system and reconfigure drainage to prevent stormwater from entering the wastewater collection system. Eliminating this illicit inflow source will reduce peak wet-weather flows, improve system performance during storm events, and reduce unnecessary conveyance and treatment of stormwater at the wastewater treatment facility. These improvements will help prevent surcharge conditions that can lead to SSOs, basement backups, and unplanned emergency response costs.</p> | | | | | | | | | | | |
| 2026 | 16 | 55 | Town of Laurel | Central Ave Gravity Sewer Lining | 4,043 | Chesapeake Bay - Broad Creek NPDES DE0020265 | \$2,157,388 | N/A | N/A | \$2,157,388 | 212 |
| <p>Description of Project and Problem: The Town of Laurel proposes to rehabilitate the Central Avenue gravity sewer collection system to address documented structural deficiencies and improve the long-term reliability and performance of its wastewater infrastructure. CCTV inspection identified cracking, joint separation, and deterioration in the existing vitrified clay sewer main, service laterals, and manholes, which contribute to recurring maintenance needs, system inefficiencies, and increased risk of infiltration, exfiltration, and future system failures.</p> <p>The project will utilize trenchless cured-in-place pipe (CIPP) lining to structurally rehabilitate the gravity sewer main, restoring full pipe integrity and providing a watertight, corrosion-resistant liner within the existing pipe. Associated service laterals will be rehabilitated and lined, and cleanouts installed where needed to improve access for inspection and maintenance. In addition, all manholes within the project limits will be internally lined to reduce infiltration, mitigate corrosion, and extend the service life of these assets.</p> <p>Central Avenue is a DelDOT-maintained roadway, and full pavement restoration associated with conventional excavation would impose a significant financial burden on the Town. Trenchless rehabilitation represents a cost-effective alternative that avoids roadway reconstruction costs, minimizes surface disturbance, and reduces construction impacts while achieving the same long-term infrastructure performance objectives.</p> | | | | | | | | | | | |
| 2026 | 17 | 55 | Town of Laurel | Priority 1 - 6th Street Gravity Sewer Rehabilitation and Replacement | 4,043 | Chesapeake Bay - Broad Creek NPDES DE0020265 | \$1,596,485 | N/A | N/A | \$1,596,485 | 212 |
| <p>Description of Project and Problem: The Town of Laurel has experienced multiple gravity sewer mainline and lateral failures along W. 6th Street over the past several years, resulting in recurring maintenance needs, service disruptions, and increased risk of wastewater exfiltration into surrounding soils. The most recent failure occurred in the primary sewer main, prompting a detailed video inspection of the W. 6th Street gravity sewer. This inspection confirmed that a portion of the existing vitrified clay gravity sewer is structurally deteriorated to a point where trenchless rehabilitation is a feasible repair option, while other segments have extensive cracking, pipe deformation, and structural loss such that full open-cut replacement is required. Based on these findings, the proposed project includes open-cut replacement of the severely deteriorated section of the mainline, installation of new residential sewer laterals with cleanouts, and lining of the existing manholes to bring the system to current standards.</p> <p>In the remaining section where pipe integrity can be restored, the Town proposes to install a cured-in-place pipe (CIPP) liner to structurally rehabilitate the sewer main without the need for extensive excavation. This trenchless lining will also include the existing service laterals within the targeted area, and new cleanouts will be installed to improve access for maintenance and reduce the likelihood of future lateral failures. Additionally, all manholes within the project limits will be internally lined, protecting them from infiltration, corrosion, and long-term structural degradation.</p> <p>Completion of this project will correct existing structural deficiencies, significantly reduce the likelihood of future mainline and lateral breaks, and enhance the overall reliability of the W 6th Street collection system. The project provides important environmental benefits by eliminating pathways for untreated wastewater to exfiltrate into surrounding soils or groundwater and by reducing infiltration that adds unnecessary flow to the wastewater treatment system. By restoring the structural integrity of the sewer using a combination of targeted replacement and trenchless lining, the project will help protect local water quality, reduce the Town's environmental footprint, and extend the useful life of critical wastewater infrastructure in a cost-efficient and community-conscious manner.</p> | | | | | | | | | | | |

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | |
|--|---------------|-----------|---|---|-------------------|---|--------------------|--------------|-----------------|----------------|------------------|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type |
| 2026 | 18 | 55 | Town of Laurel | Priority 2 - 6th Street Gravity Sewer Lining | 4,043 | Chesapeake Bay - Broad Creek NPDES DE0020265 | \$1,964,008 | N/A | N/A | \$1,964,008 | 212 |
| <p>Description of Project and Problem: The Town of Laurel will rehabilitate the W. 6th Street gravity sewer collection system to address documented structural deficiencies and reduce the risk of wastewater releases to the environment. CCTV inspection confirmed cracking, joint separation, and related defects in the vitrified clay sewer main and service connections that contribute to recurring maintenance, service disruptions, and potential pathways for exfiltration and infiltration.</p> <p>The project will implement trenchless cured-in-place pipe (CIPP) lining of the gravity sewer main to restore structural integrity and provide a watertight, continuous liner within the existing pipe. The Town will also rehabilitate/line associated service laterals within the project limits and install cleanouts where needed to improve system access and long-term maintenance. In addition, all manholes within the project area will be internally lined to reduce infiltration, prevent corrosion, and extend asset service life.</p> <p>This project will deliver near-term and long-term water quality benefits by reducing pathways for untreated wastewater to migrate into surrounding soils and groundwater and by reducing infiltration that adds excess flow to the wastewater treatment system, thereby improving collection system performance and reliability. The proposed work is a cost-effective rehabilitation strategy that protects local water resources while extending the useful life of critical wastewater infrastructure in a cost-effective and community-conscious manner.</p> | | | | | | | | | | | |
| 2026 | 19 | 55 | Town of Laurel | Washington Street and Sussex Ave CB Separation-Illicit Inflow | 4,043 | Chesapeake Bay - Broad Creek NPDES DE0020265 | \$220,000 | N/A | N/A | \$220,000 | 212 |
| <p>Description of Project and Problem: The Town of Laurel proposes to correct two illicit stormwater inflow sources associated with catch basins located at the intersection of Washington Street and Sussex Avenue that are improperly connected to the municipal sanitary sewer system. During rainfall events, these catch basins convey stormwater runoff directly into the sanitary sewer, introducing uncontrolled wet-weather inflow that reduces available hydraulic capacity and increases the risk of sanitary sewer overflows (SSOs).</p> <p>The Town qualifies as a disadvantaged community, and its wastewater infrastructure serves a population with limited financial capacity to absorb the costs of emergency repairs, system failures, or escalating user rates. Addressing these inflow sources through proactive rehabilitation is critical to protecting public health and maintaining affordable wastewater service for residents.</p> <p>The proposed project will disconnect both catch basins from the sanitary sewer system and reconfigure drainage to prevent stormwater from entering the wastewater collection system. Eliminating these illicit inflow sources will reduce peak wet-weather flows, improve system performance during storm events, and reduce unnecessary conveyance and treatment of stormwater at the wastewater treatment facility. These improvements will help prevent surcharge conditions that can lead to SSOs, basement backups, and unplanned emergency response costs.</p> | | | | | | | | | | | |
| 2026 | 20 | 55 | Town of Laurel | West Street Gravity Sewer Lining | 4,043 | Chesapeake Bay - Broad Creek NPDES DE0020265 | \$2,249,788 | N/A | N/A | \$2,249,788 | 212 |
| <p>Description of Project and Problem: The Town of Laurel proposes to rehabilitate the West Street gravity sewer collection system to address documented structural deficiencies and improve the long-term reliability and performance of its wastewater infrastructure. CCTV inspection identified cracking, joint separation, and deterioration in the existing vitrified clay sewer main, service laterals, and manholes, which contribute to recurring maintenance needs, system inefficiencies, and increased risk of infiltration, exfiltration, and future system failures.</p> <p>The project will utilize trenchless cured-in-place pipe (CIPP) lining to structurally rehabilitate the gravity sewer main, restoring full pipe integrity and providing a watertight, corrosion-resistant liner within the existing pipe. Associated service laterals will be rehabilitated and lined, and cleanouts installed where needed to improve access for inspection and maintenance. In addition, all manholes within the project limits will be internally lined to reduce infiltration, mitigate corrosion, and extend the service life of these assets.</p> <p>West Street is a DelDOT-maintained roadway, and full pavement restoration associated with conventional excavation would impose a significant financial burden on the Town. Trenchless rehabilitation represents a cost-effective alternative that avoids roadway reconstruction costs, minimizes surface disturbance, and reduces construction impacts while achieving the same long-term infrastructure performance objectives.</p> | | | | | | | | | | | |
| 2026 | 21 | 47 | Kent County Levy Court Department of Public Works | Twin Maples MHP Septic Elimination | 116 | Delaware Bay & Estuary - Leipsic River NPDES DE 0020338 | \$2,000,000 | N/A | N/A | \$2,000,000 | 212 |
| <p>Description of Project and Problem: The Twin Maples Mobile Home Park (MHP) Septic Elimination Project will replace the insufficient septic system from the 1990s by constructing modern sewer infrastructure to serve 45 units (44 mobile homes and one single-family home). The property is located on Shaws Corner Road, south of the Town of Kenton, in the Clayton ZIP code area. As listed in the Delaware's Clean Water initiative for Underserved Communities (DNREC, 2021), Twin Maples MHP is one of sixteen low-income and underserved communities with wastewater and drinking water needs. This project will install a sewer system comprised of gravity mains, a duplex grinder pump station, and a force main connecting to the Kenton Sewer Area's existing infrastructure. The existing onsite septic tanks will be decommissioned in place once connections are complete.</p> | | | | | | | | | | | |
| 2026 | 22 | 45 | City of Newark | Sanitary Sewer Study and Repairs | 30,169 | Piedmont - Christina River N/A | \$2,200,000 | N/A | N/A | \$2,200,000 | 212 |
| <p>Description of Project and Problem: This project proposes to address the major deficiencies that were identified in the previous five years' worth of sewer inspections. The City has focused on inspecting the White Clay Creek Interceptor and the upstream portion of the Cool Run Interceptor, the two main trunk lines that receive sewage from Newark. Some of the deficiencies identified so far are mains exposed in the bank of the White Clay Creek, fractures, inflow and infiltration, roots, and pump station and force main issues. To address these issues, this project spans the entire City sewer system including both the White Clay and Cool Run Basins. This project includes CCTV inspection, various point repairs, and applying liners in areas requiring rehabilitation. Pump station upgrades and repairs are also included. Cleaning, inspection, and rehabilitation activities are prioritized based on the City's Sewer Cleaning Program and the Capacity Planning Report. This is a recurring project which has successfully utilized SRF funding since 2018 and Newark City Council has made it a priority to repair and replace the City's aging utility infrastructure.</p> | | | | | | | | | | | |
| 2026 | 23 | 40 | Kent County Levy Court Department of Public Works | Biological Process Capacity Upgrade | 130,000 | Delaware Bay & Estuary - Murderkill River NPDES DE 0020338 | \$20,000,000 | N/A | N/A | \$4,400,000 | 212 |
| <p>Description of Project and Problem: The Kent County Levy Court (Kent County) owns a County-wide sanitary sewer collection, conveyance and treatment system operated by the Kent County Department of Public Works for Kent County, Delaware. The system serves major municipalities, the Dover Air Force Base, and communities located in Kent County Sewage Disposal District No. 1 as well as portions of New Castle and Sussex Counties. Kent County seeks funding to expand the biological process at the Kent County Wastewater Treatment Plant, 139 Milford Neck Rd, Milford, DE. Implementing new BNR technology will significantly reduce nutrient loads in the discharge and improve water quality in the Murderkill River and Delaware Bay watersheds-waters that support recreation, aquatic habitats, and vital estuarine ecosystems.</p> <p>The existing biological process uses Parkson Biolac Extended Aeration Activated Sludge technology, sized for 20 million gallons per day. It is adversely impacted by weather events and inflow and infiltration (I&I). Other biological nutrient removal (BNR) processes, such as the Bardenpho process, will need to be considered, in addition to flow equalization to help address the high flows due to I&I. BNR system upgrades will promote superior efficiency, lower sludge production, and reduced energy consumption compared to extended aeration, minimizing environmental impact and promoting long-term sustainability. This improvement is essential to improve water quality, support sustainable growth, and align with federal and state environmental priorities.</p> <p>The County continues to experience development pressures that increase wastewater flows and introduce more variable and higher-strength loadings. The existing extended aeration process lacks the operational flexibility and efficiency needed to accommodate growth while maintaining stringent nutrient controls. This upgrade is critical to supporting responsible residential, commercial, and industrial growth within Kent County. Additionally, this investment will safeguard public health, enhance environmental protection, and maintain regulatory compliance.</p> | | | | | | | | | | | |

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | |
|---|---------------|-----------|---|---|-------------------|---|--------------------|--------------|-----------------|----------------|------------------|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type |
| 2026 | 24 | 40 | Kent County Levy Court Department of Public Works | Headworks Improvements | 130,000 | Delaware Bay & Estuary - Murderkill River NPDES DE 0020338 | \$3,750,000 | N/A | N/A | \$2,812,000 | 212 |
| <p>Description of Project and Problem: The Kent County Levy Court (Kent County) owns a County-wide sanitary sewer collection, conveyance and treatment system operated by the Kent County Department of Public Works for Kent County, Delaware. The system serves major municipalities, the Dover Air Force Base, and communities located in Kent County Sewage Disposal District No. 1 as well as portions of New Castle and Sussex Counties. Kent County seeks funding to design and construct critical improvements to the influent headworks facilities at the Kent County Wastewater Treatment Plant, 139 Milford Neck Rd, Milford, DE. The plant discharges treated effluent into The Gut, a tributary of the Murderkill River, which flows into Delaware Bay-waters that support recreation, aquatic habitats, and vital estuarine ecosystems. The existing influent Headworks Building is deteriorating due to H2S gases and was not designed with the capability for a screened bypass. The proposed project will include:</p> <ul style="list-style-type: none"> - Design and construction of a new influent screening structure - installation of modern screening equipment sized for current and projected flows - incorporation of a screened bypass system to maintain regulatory compliance during maintenance or peak flow events - Structural improvements using corrosion-resistant materials - Associated electrical, controls, and site improvements <p>It is necessary to make these improvements in order to eliminate the potential for a catastrophic structural failure and provide the appropriate capacity for influent screening into the future. This investment will safeguard public health, enhance environmental protection, and maintain regulatory compliance.</p> | | | | | | | | | | | |
| 2026 | 25 | 30 | Town of Millsboro | Millsboro State Street Pumping Station | 8,568 | Inland Bays - Indian River Bay | \$3,360,000 | N/A | N/A | \$3,360,000 | 212 |
| <p>Description of Project and Problem: The Town of Millsboro is planning improvements to its wastewater collection and treatment system to support the transition of treatment operations to a new wastewater treatment plant (WWTP) to be constructed at the Town's White Farm facility on Hardscrabble Road. As part of this effort, the Town will design, permit, bid and construct a new approximate 1.0 MGD pumping station at the location of its existing and soon-to-be abandoned wastewater treatment plant on State Street by the Indian River Bay. Raw wastewater influent flows from the existing State Street WWTP will be pumped to the new White Farm WWTP, which is scheduled to begin construction in Spring 2026. The new pumping station will utilize the Town's existing 18-inch beneficial reuse main, which currently conveys treated effluent from the State Street WWTP approximately 3.0 miles to the White Farm recharge facilities on Hardscrabble Road, by repurposing the existing force main for the transmission of raw wastewater. Reuse of this existing pipeline infrastructure is intended to minimize new disturbance while providing reliable conveyance of untreated wastewater for centralized treatment at the new facility. The Town of Millsboro owns a parcel immediately north of the existing State Street WWTP that provides a feasible and readily implementable location for new infrastructure, reducing permitting risk and supporting project readiness. The new White Street Pumping Station may include systems for odor and corrosion control, maintenance access, and long-term operability to ensure the project delivers measurable environmental benefit and sustainable performance. The Town has previously completed a comprehensive Wastewater Asset Management Plan (2016) and a Wastewater Facilities Plan Update (2021), which documented the condition, criticality, and risks of failure for the Town's wastewater collection and treatment assets, evaluated remaining useful life and replacement needs, and established a framework to support long-term, sustainable operation, maintenance, and capital planning. The proposed improvements are intended to enhance system reliability, accommodate existing and future wastewater flows, and support the Town's long-term wastewater management and regulatory compliance objectives.</p> | | | | | | | | | | | |
| 2026 | 26 | 30 | Kent County Levy Court Department of Public Works | UV Disinfection System Upgrade | 130,000 | Delaware Bay & Estuary - Murderkill River NPDES DE 0020338 | \$2,750,000 | N/A | N/A | \$1,200,000 | 212 |
| <p>Description of Project and Problem: The Kent County Levy Court (Kent County) owns a County-wide sanitary sewer collection, conveyance and treatment system operated by the Kent County Department of Public Works for Kent County, Delaware. The system serves major municipalities, the Dover Air Force Base, and communities located in Kent County Sewage Disposal District No. 1 as well as portions of New Castle and Sussex Counties. Kent County seeks funding to replace its 20-year-old microwave ultraviolet (UV) disinfection system with modern technology at the Kent County Wastewater Treatment Plant, 139 Milford Neck Rd, Milford, DE. The plant discharges treated effluent into The Gut, a tributary of the Murderkill River, which flows into Delaware Bay-waters that support recreation, aquatic habitats, and vital estuarine ecosystems. The existing UV disinfection system is outdated, inefficient, and prone to performance issues under peak flows and variable water quality. Replacement parts are difficult to source and manufacturer support is limited, increasing the risk of pathogen breakthrough and inconsistent disinfection. This project will upgrade the disinfection process with modern UV technology to ensure reliable pathogen inactivation, improve treatment efficiency, and protect downstream water quality. This investment will safeguard public health, enhance environmental protection, and maintain regulatory compliance.</p> | | | | | | | | | | | |
| 2026 | 27 | 30 | County Seat Gardens | County Seat Gardens | 20 | Delaware Bay & Estuary - Broadkill River | \$68,000 | N/A | N/A | \$68,000 | 212 |
| <p>Description of Project and Problem: The intent of this project is to upgrade a currently non functioning wastewater mound system so that it can properly service the 4 homes that it is currently attached to. This includes having engineers survey 5 properties and draw up plans then install the system. Most of the wastewater systems in the community are more than 30 years old and this particular system has already been declared as in failure by DNREC and a class H inspector. This project will improve the quality of living of this subdivision that has been classified as low income.</p> | | | | | | | | | | | |
| 2026 | 28 | 25 | Lewes BPW | Overfalls 48" Storm Water Pipe Replacement | N/A | Inland Bays - Lewes-Rehoboth Canal WPCC 3075H/74 | \$500,000 | N/A | N/A | \$500,000 | 212 |
| <p>Description of Project and Problem: The project will install approximately 360 linear feet of 48-inch storm water pipe, two manholes with covers, and 1 pipe outfall structure, and 22 vertical feet of 66-inch by 66-inch storm water precast structure. The existing storm water pipe runs along Shipcarpenter Street from Pilottown Road and through Canal front Park to discharge into the Lewes-Rehoboth Canal. The metal pipe, constructed in 1975, is aging and has degraded over time due to saltwater submergence with sections of the pipe being broken and crushed. There has also been an issue at the bulkhead where the existing pipe discharges into the Canal with a sinkhole forming. This issue has been resolved by the Lewes Board of Public Works (BPW), but this issue could potentially keep happening without any changes. This project will replace the existing storm water pipe and install new pipe in its place to ensure proper conveyance of stormwater to the discharge point.</p> | | | | | | | | | | | |
| 2026 | 29 | 30 | Kent County Levy Court Department of Public Works | Countywide Gravity Pipeline Condition Repairs | 130,000 | Delaware Bay & Estuary - Murderkill River NPDES DE 0020338 | \$3,100,000 | N/A | N/A | \$3,100,000 | 212 |
| <p>Description of Project and Problem: The Kent County Levy Court (Kent County) owns a County-wide sanitary sewer collection, conveyance and treatment system operated by the Kent County Department of Public Works for Kent County, Delaware. The system serves major municipalities, the Dover Air Force Base, and communities located in Kent County Sewage Disposal District No. 1 as well as portions of New Castle and Sussex Counties. Kent County seeks funding to implement prioritized gravity sewer rehabilitation and repair projects in various locations in Kent County, which will be identified through a comprehensive systemwide condition assessment. The repairs are countywide and would be located in different watersheds, representative districts, and senate districts. Once staff determines the locations of the repair, staff will determine the various watersheds and representatives. Starting in 2025 through December 2026, Kent County is working with a contractor to complete a Gravity Pipeline Condition Assessment. The goal of this effort is to assess the condition of collection system assets across the County. Utilizing manhole inspections, CCTV footage, sonar technology, and smoke testing, the County is working to find any deterioration, sources of inflow and infiltration (I&I), and develop a plan for improving those assets. Kent County is utilizing ARPA funds to complete this effort. Once the assessment is complete, Kent County will prioritize repairs across the collection system. These repairs are necessary to maintain system integrity, prevent Sanitary Sewer Overflows (SSO's), and to reduce high flows at the Wastewater Treatment Facility during heavy rain and high ground water levels. The repairs should prevent I&I and associated NPDES permit violations.</p> | | | | | | | | | | | |

Attachment A - FFY 2026 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

| FFY 2026 CWSRF Wastewater and Stormwater Projects | | | | | | | | | | | | |
|--|---------------|-----------|---|---|-------------------|---|----------------------|----------------------|-----------------|----------------|------------------|--|
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type | |
| 2026 | 30 | 30 | Kent County Levy Court Department of Public Works | Pump Station 24A Pump Upgrades, Piping & Forcemain Improvements | 8,140 | Delaware Bay & Estuary - Smyrna River NPDES DE 0020338 | \$2,100,000 | N/A | N/A | \$1,680,000 | 212 | |
| <p>Description of Project and Problem: The Kent County Levy Court owns a County-wide sanitary sewer collection, conveyance and treatment system operated by the Kent County Department of Public Works. The system serves major municipalities and communities located in Kent County Sewage Disposal District No. 1 as well as portions of New Castle and Sussex Counties. Kent County works closely with the municipalities within the service area to provide an organized and coordinated approach to wastewater collection, conveyance and treatment.</p> <p>This project will upgrade and improve infrastructure associated with Pump Station 24A, a main transmission pump station, which is located on South Carter Road, Smyrna, DE. The upgrades are necessary to accommodate anticipated residential growth in Clayton and the Southwest area of Smyrna, which will exceed the current capacity of the existing pumps and force main. In addition, there have been four (4) longitudinal breaks occurred in 2011, 2013, 2019, and 2022. This project scope includes, but not limited to:</p> <ul style="list-style-type: none"> Evaluation of the pump station and assessment of force main . Replacement of the existing submersible pumps with higher capacity pumps. Upgrading the electrical systems and generator Replacement of 3,000 feet of existing 12" SDR 21 PVC force main with properly sized pipe. | | | | | | | | | | | | |
| Sub-Total FFY 2026 Wastewater and Stormwater Projects | | | | | | | \$299,696,784 | \$271,688,784 | | | | |
| FFY 2026 CWSRF GPR Projects (*The Percentage of the Project that is Energy Efficient will be determined after receipt of application) | | | | | | | | | | | | |
| PPL Year | PPL Year Rank | PPL Score | Applicant | Project Name | Population Served | Waterbody / NPDES Permit | Total Project Cost | GPR Category | GPR Eligibility | CWRF Financing | CWA Project Type | |
| 2026 | N/A | 95 | DNREC, Environmental Finance | Green Project Reserve | 961,939 | TBD N/A | \$1,500,000 | TBD | Yes | \$1,500,000 | 319/GPR | |
| <p>Description of Project and Problem: Implemented projects will be specifically designed to improve water quality as part of specific Delaware priority watershed improvement plans. Proposals will be selected for funding consideration through a Special Project Solicitation Advertisement conducted by the Division of Watershed Stewardship, Nonpoint Source (NPS) Pollution Program based on geographic scope; watershed impairment; watershed plan; water quality improvement; eligibility of applicant and project; and applicant capacity. Partnerships are encouraged where necessary to promote larger projects that are beyond the capacity of smaller organizations.</p> | | | | | | | | | | | | |
| Sub-Total FFY 2026 GPR Projects | | | | | | | \$1,500,000 | \$1,500,000 | | | | |
| Total CWSRF FFY 2026 Project Funding | | | | | | | \$301,196,784 | \$273,188,784 | | | | |
| <p>Notes: Section 212 Publicly-Owned Treatment Works; Section 319 Non-Point Source; Section 320 Natural Estuary; LCL and Conservation Loan; WQIL Water Quality Improvement Loan; GPR Green Project</p> | | | | | | | | | | | | |

Attachment B Non-Fed Admin Planned & Current Uses

Prior Year Ending Fund Balance/ This Years Starting Balance

\$6,872,514

| | FY24 Actual | FY25 Actual | FY26 Projected | FY27 Projected | FY28 Projected | FY29 Projected |
|--|----------------|----------------|-------------------|-------------------|-------------------|-------------------|
| 1. Revenue (includes Fed and Non-Fed Admin) | | | | | | |
| Total Annual Revenues | \$3,402,264 | \$2,912,097 | \$2,999,110 | \$3,059,092 | \$7,120,274 | \$7,262,679 |
| 2. EF Administrative Expenses and Uses (includes Fed and Non-Fed Admin) | | | | | | |
| Total Administrative Expenses | \$1,676,860 | \$1,688,288 | \$1,589,935 | \$1,712,620 | \$1,837,719 | \$1,965,279 |
| Total Administrative Obligations Remaining | \$36,257 | \$11,976 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| 3. CWSRF State Match | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4. Grant Program Expenses & Additional DNREC Position Salaries/Benefits | | | | | | |
| Total Program Expenses | \$2,632,719 | \$2,423,994 | \$3,458,214 | \$3,468,859 | \$3,479,718 | \$3,490,793 |
| Total Grant Program Obligations Remaining | \$1,537,020 | \$1,199,967 | \$3,125,905 | \$1,925,938 | \$1,925,938 | \$1,925,938 |
| 5. Total NFAA Expenses | \$4,309,579 | \$4,112,282 | \$5,048,149 | \$5,181,479 | \$5,317,436 | \$5,456,072 |
| Total NFAA End of FY Obligations | \$1,573,277 | \$1,211,943 | \$3,325,905 | \$2,125,938 | \$2,125,938 | \$2,125,938 |
| 6. Annual Fund Growth (Decrease) | (\$907,315) | (\$1,200,184) | (\$2,049,039) | (\$2,122,387) | \$1,802,838 | \$1,806,607 |
| 7. Balances | | | | | | |
| Cash Balance | \$8,072,698 | \$6,872,514 | \$4,823,475 | \$2,701,088 | \$4,503,925 | \$6,310,533 |
| Available Balance | \$6,499,420 | \$5,660,571 | \$1,497,570 | \$575,150 | \$2,377,987 | \$4,184,595 |
| 8. Grant Program Annual Budgets | | | | | | |
| Subtotal | \$2,940,166 | \$2,625,938 | \$2,925,938 | \$2,925,938 | \$2,925,938 | \$2,925,938 |
| Obligated | \$1,573,277 | \$1,211,943 | \$3,325,905 | \$2,125,938 | \$2,125,938 | \$2,125,938 |

Attachment C- Estimated Binding Commitments and Disbursements by Project

Delaware Water Pollution Control Revolving Fund

| Data Sources: Project Status Report, Cash Flow Report, and 2026 PPL/IUP | | | | Disbursements Ending 9/30/2027 | | | |
|---|----------------------|-------------------------|-----------------------------------|--------------------------------|-----------------------|-----------------------|-----------------------|
| | | | | 10/1/2026 12/31/2026 | 1/1/2027 3/31/2027 | 4/1/2027 6/30/2027 | 7/1/2027 9/30/2027 |
| Wastewater Projects | Loan Amount | Binding Commitment Date | Est. Construction Completion Date | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| City of Wilmington | | | | | | | |
| WWTP Aeration/Secondary Treatment & Blower Replacement | \$12,420,000 | Pending | Dec-29 | \$0 | \$0 | \$1,242,000 | \$2,484,000 |
| WWTP Primary Bypass Upgrades | \$1,600,000 | Pending | Dec-28 | \$0 | \$160,000 | \$320,000 | \$320,000 |
| EC-Gasification Integration for PFAS | \$1,500,000 | Pending | Jul-28 | \$0 | \$150,000 | \$300,000 | \$300,000 |
| Secondary Treatment Rehab | \$6,000,000 | Pending | Dec-28 | \$0 | \$600,000 | \$1,200,000 | \$1,200,000 |
| CSO 30 Discharge Reduction | \$43,000,000 | Pending | Dec-28 | \$0 | \$0 | \$0 | \$2,150,000 |
| CSO 4A Discharge Reduction | \$34,000,000 | Pending | Dec-28 | \$0 | \$0 | \$0 | \$1,700,000 |
| Large Diameter Collection System Rehab | \$2,000,000 | Pending | Mar-28 | \$0 | \$200,000 | \$400,000 | \$400,000 |
| Small Diameter Collection System Rehab | \$2,200,000 | Pending | May-28 | \$0 | \$220,000 | \$440,000 | \$440,000 |
| CSO29 Outfall Rehab | \$1,000,000 | Pending | Dec-26 | \$1,000,000 | \$0 | \$0 | \$0 |
| Renewable Energy Biosolids Facility Upgrade | \$15,000,000 | Pending | Dec-30 | \$0 | \$0 | \$0 | \$750,000 |
| Rockford RD CSO & Stormwater Flood Reduction | \$13,000,000 | Pending | Dec-30 | \$0 | \$0 | \$0 | \$650,000 |
| City of Lewes Board of Public Works | | | | | | | |
| Overfalls 48" Storm Water Pipe Replacement | \$500,000 | Pending | Mar-27 | \$0 | \$500,000 | \$0 | \$0 |
| Pumpstation 6 Resiliency Improvements | \$714,000 | Pending | Mar-28 | \$0 | \$0 | \$71,400 | \$142,800 |
| Pumpstation 7 Abandonment & Pumpstation 34 Resiliency Improvements | \$575,500 | Pending | Jun-27 | \$0 | \$0 | \$575,500 | \$0 |
| Sussex County Council | | | | | | | |
| Bethany Forest Septic Elimination | \$4,870,300 | Pending | Dec-28 | \$0 | \$0 | \$0 | \$487,030 |
| Joy Beach Phase 2 | \$4,030,000 | Pending | Jun-27 | \$403,000 | \$2,015,000 | \$1,612,000 | \$0 |
| Kent County Levy Court | | | | | | | |
| Countywide Gravity Pipeline Condition Repairs | \$3,100,000 | Pending | Dec-28 | \$0 | \$0 | \$0 | \$310,000 |
| Biological Process Capacity Upgrade | \$4,400,000 | Pending | Dec-30 | \$0 | \$0 | \$0 | \$440,000 |
| Pumpstation 24A Upgrades | \$1,680,000 | Pending | May-30 | \$0 | \$0 | \$0 | \$168,000 |
| Hedgerow Hollow MHP Septic Elimination | \$2,000,000 | Pending | Jun-27 | \$0 | \$400,000 | \$1,600,000 | \$0 |
| Main Transmission Muderkill River Crossing | \$675,000 | Pending | Jun-28 | \$0 | \$0 | \$0 | \$67,500 |
| RT13 Force main Relocation - Puncheon Run | \$12,650,000 | Pending | Aug-27 | \$2,530,000 | \$2,530,000 | \$6,325,000 | \$1,265,000 |
| RT13 Force main Relocation - Puncheon Run Phase 2 | \$9,020,000 | Pending | Jun-28 | \$0 | \$0 | \$902,000 | \$1,804,000 |
| Headworks Improvements | \$2,812,000 | Pending | Sep-29 | \$0 | \$0 | \$0 | \$281,200 |
| Twin Maples MHP Septic Elimination | \$2,000,000 | Pending | Dec-30 | \$0 | \$0 | \$0 | \$0 |
| UV Disinfection System Upgrade | \$1,200,000 | Pending | Sep-29 | \$0 | \$0 | \$0 | \$120,000 |
| Town of Millsboro | | | | | | | |
| State ST Pumping Station | \$3,360,000 | Pending | Sep-27 | \$0 | \$672,000 | \$1,680,000 | \$1,008,000 |
| City of Seaford | | | | | | | |
| Waste Water Treatment Facility Upgrade & Expansion | \$30,739,315 | Pending | Nov-30 | \$0 | \$0 | \$0 | \$1,536,966 |
| Martin Farm Sewer Relocation Phase 2 | \$2,070,000 | Pending | Oct-27 | \$207,000 | \$414,000 | \$414,000 | \$414,000 |
| New Castle County | | | | | | | |
| Southern Sanitary Sewer Area - Expanded Treatment | \$26,767,000 | Pending | Jun-30 | \$0 | \$0 | \$0 | \$1,338,350 |
| City of Newark | | | | | | | |
| Sanitary Sewer Study & Repairs | \$2,200,000 | Pending | Dec-27 | \$0 | \$220,000 | \$1,100,000 | \$440,000 |
| Town of Laurel | | | | | | | |
| Washington ST & Sussex Ave CB Separation | \$220,000 | Pending | Nov-27 | \$22,000 | \$44,000 | \$44,000 | \$44,000 |
| 8th ST Catch Basin Separation | \$220,000 | Pending | Nov-27 | \$22,000 | \$44,000 | \$44,000 | \$44,000 |
| Central Ave & 4th ST Catch Basin Separation | \$220,000 | Pending | Dec-27 | \$22,000 | \$44,000 | \$44,000 | \$44,000 |
| West ST Gravity Sewer Lining | \$2,249,788 | Pending | Dec-27 | \$224,979 | \$449,958 | \$449,958 | \$449,958 |
| Central Ave Gravity Sewer Lining | \$2,157,388 | Pending | Dec-27 | \$215,739 | \$431,478 | \$431,478 | \$431,478 |
| 6th ST Gravity Sewer Lining | \$1,964,008 | Pending | Dec-27 | \$196,401 | \$392,802 | \$392,802 | \$392,802 |
| 6th ST Gravity Sewer Rehab/Replacement | \$1,596,485 | Pending | Dec-27 | \$159,649 | \$319,297 | \$319,297 | \$319,297 |
| Laurel Village MHC LC | | | | | | | |
| Laurel Village MHP Sewer Upgrades | \$7,000,000 | Pending | Apr-28 | \$0 | \$0 | \$700,000 | \$1,400,000 |
| Diamond State Sustainability Corp | | | | | | | |
| Grants Way Community Septic System | \$4,920,000 | Pending | Dec-27 | \$492,000 | \$984,000 | \$984,000 | \$984,000 |
| Gumtree Road, LLC | | | | | | | |
| Holiday Estates Section 1 | \$1,510,000 | Pending | Dec-27 | \$151,000 | \$302,000 | \$302,000 | \$302,000 |
| County Seat Gardens | | | | | | | |
| Septic Project | \$68,000 | Pending | Dec-26 | \$68,000 | \$0 | \$0 | \$0 |
| Sandhill Acres MHC, LLC | | | | | | | |
| Sandhill Acres MHP Septic Elimination | \$2,480,000 | Pending | Jun-27 | \$248,000 | \$1,488,000 | \$744,000 | \$0 |
| | \$271,688,784 | | | | | | |
| Green Project Reserve Projects | | | | | | | |
| Special Solicitation | | | | | | | |
| Green Project Reserve | \$1,500,000 | One-time | One-time | \$0 | \$0 | \$1,500,000 | \$0 |
| Transfer of Funds back to DWSRF | | | | | | | |
| | As Needed | N/A | | As Needed | As Needed | As Needed | As Needed |
| Administrative Expenses & Technical Assistance | | | | | | | |
| | \$1,183,136 | | | \$1,183,136 | \$0 | \$0 | \$0 |
| Totals | \$274,371,920 | | | \$7,144,903 | \$12,580,534 | \$24,137,434 | \$24,628,380 |
| Grant Award - Federal Share | \$7,788,000 | | | \$7,788,000 | \$0 | \$0 | \$0 |
| Grant Award - State Match | \$1,557,600 | | | \$1,557,600 | \$0 | \$0 | \$0 |
| BIL Supplemental Grant Award - Federal Share | \$12,094,000 | | | \$250,803 | \$11,843,197 | \$0 | \$0 |
| BIL Supplemental Grant Award - State Match | \$2,418,800 | | | \$2,418,800 | \$0 | \$0 | \$0 |
| BIL Emerging Contaminants Grant Award - Federal Share | \$1,100,000 | | | \$0 | \$737,337 | \$362,663 | \$0 |
| CWSRF Corpus - Repayment Funds | \$249,413,520 | | | \$0 | \$0 | \$23,774,771 | \$24,628,380 |
| Base Federal % | 83.33% | | | 83.33% | | | |
| Base State Match % | 16.67% | | | 16.67% | | | |

Note 1: All values in blue are calculated.

Attachment D - FFY2026 ASAP Payment Schedule

(Federal Dollars)

| Calendar Year / Federal QTR | Payment Date | ASAP Payment Schedule | ASAP Cumulative Amount |
|--|-------------------------|----------------------------------|-----------------------------------|
| 26/1 | 1st Quarter | \$19,882,000 | \$19,882,000 |
| 26/2 | 2nd Quarter | \$0 | \$19,882,000 |
| 27/3 | 3rd Quarter | \$0 | \$19,882,000 |
| 27/4 | 4th Quarter | \$1,100,000 | \$20,982,000 |

Attachment E- 2015 PPL SOP

| | | |
|---|--|------------------------------|
| DELAWARE WATER POLLUTION CONTROL STATE REVOLVING FUNDS DNREC - ENVIRONMENTAL FINANCE | | |
| <i>Subject: Standard Operating Procedures for establishing the Project Priority List for the Delaware's Water Pollution Control Revolving Fund (WPCRF)</i> | | |
| <i>Effective Date: October 20, 2010</i> | <i>Revision Date: December 9/2015</i> | <i>Date Reviewed:</i> |

Purpose:

In accordance with the current rules and regulations governing the WPCRF for municipal wastewater treatment works, each state must submit a priority system for the United States Environmental Protection Agency's (EPA) approval. The priority system should describe the methodology used by the state to rank projects that are considered eligible for federal assistance. The Delaware Department of Natural Resources and Environmental Control is the designated state agency for developing and administering the priority system for the WPCRF. The Department must annually prepare and submit a priority list to the EPA of all projects for which federal assistance will be requested from the State's current allotment.

Policy References:

- Powers and Duties of the Secretary of the Department of Natural Resources and Environmental control. - Chapter 80, Title 29, Delaware Code, Sec. 8003
- Water Infrastructure Advisory Council - Chapter 80, Title 29, Delaware Code, Sec. 8003(11)(d)(2)
- CWSRF Regulations (40 CFR Part 35.31) <https://www.govinfo.gov/content/pkg/CFR-2011-title40-vol1/pdf/CFR-2011-title40-vol1-part35-subpartK.pdf>

Records Archive Location:

The Project Priority List is kept at the following locations.

- G: CWSRF PLL-IUP Annual Process/Annual PPLs and IUPs
- Environmental Finance Website <https://dnrec.alpha.delaware.gov/environmental-finance/>

Standard Operating Procedures for establishing the Project Priority List:

SECTION 1 - INTRODUCTION

- 1.01 The State of Delaware receives monies for the Water Pollution Control Revolving Fund (WPCRF) under the Clean Water Act which defines the formula for allocating funds to the states. The amount received by the State depends on Congressional appropriations and executive authorization.
- 1.02 In accordance with the current rules and regulations governing the WPCRF for municipal wastewater treatment works, each state must submit a priority system for the United States Environmental Protection Agency's (EPA) approval. The priority system should describe the methodology used by the state to rank projects that are considered eligible for federal assistance. The Delaware Department of Natural Resources and Environmental Control is the designated state agency for developing and administering the priority system for the WPCRF. The Department must annually prepare and submit a priority list to the EPA of all projects for which federal assistance will be requested from the State's current allotment.
- 1.03 A priority system for evaluating projects was established in 1960 to allocate funds. It was amended in 1967, 1971, 1974, 1978, 1983, 1996, 2000, 2005, and 2010 and is hereby further amended to be consistent with the current regulations under the state priority system, as amended, and with state laws.
- 1.04 Pursuant to Chapter 80, Title 29, Delaware Code, Sec. 8003, the Secretary of the Department is empowered to administer the WPCRF in accordance with the requirements set forth in Title VI of the Federal Clean Water Act.
- 1.05 Pursuant to Chapter 80, Title 29, Delaware Code, Sec. 8003(11)(d)(2), the Water Infrastructure Advisory Council will review the Project Priority List and amend, if necessary, and provide for review at a public hearing.

SECTION 2 - DEFINITIONS

- 2.01 AVAILABLE FUNDS: Shall mean the capitalization funds plus repayments on previous loans, plus accrued interest available, or expected to be available, to the State for allotment during a fiscal year, and are used for determining the fundable portion of the project priority list. The available funds are determined by subtracting from the total funds available (or expected to be available) to the State, all mandatory, optional, and any additional reserves deemed appropriate by the State.
- 2.02 COUNCIL: Shall mean the Water Infrastructure Advisory Council which is appointed by the Governor of Delaware and the General Assembly.
- 2.03 DEPARTMENT: Shall mean the Department of Natural Resources and Environmental Control.
- 2.04 EDU: Equivalent Dwelling Unit shall mean a dwelling unit or equivalent unit discharging 240 gallons per day.
- 2.05 EPA: Shall mean the United States Environmental Protection Agency.
- 2.06 FUNDABLE PRIORITY LIST: Shall mean that portion of the Project Priority List which might reasonably be funded from available funds.
- 2.07 MANDATORY DOCUMENTS: Shall mean those materials and information that must be included with a loan application as set forth in the Procedures of the Water Pollution Control Revolving Fund.
- 2.08 MHI: Shall mean Median Household Income as established by the U.S. Census Bureau and adjusted annually by the regional consumer price index.
- 2.09 PLANNING PRIORITY LIST: Shall mean that portion of the Project Priority List which might be funded

from future authorized allotments and other available funds. It includes those projects which could be moved up onto the Fundable Priority List as detailed in Section 5 of these procedures. Projects on the Planning Priority List shall be subjected to public participation together with and at the same time as those on the Fundable Priority List.

- 2.10 **PROJECT:** Shall mean a project for the planning, design, or construction of treatment works.
- 2.11 **PROJECT COST:** Shall mean the total cost of the construction of the project including consulting, legal, and engineering fees.
- 2.12 **PROJECT PRIORITY LIST:** Shall mean the ordered listing of projects for which the Department expects Federal and State financial assistance.
- 2.13 **QUALIFIED AGENCY:** Shall mean any legally incorporated town or city, county government, state agency, sanitary district, authority authorized by law, or private business organized to provide treatment works.
- 2.14 **TREATMENT WORKS:** Shall mean any devices and systems for the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes. These include interceptor sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; and any works, including acquisition of the land that will be an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment (including land for composting sludge, temporary storage of such compost and land used for the storage of treated wastewater in land application systems before land application) or any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal or industrial waste, including waste in combined storm water and sanitary sewer systems.
- 2.15 **WATER QUALITY STANDARDS:** Shall mean the standards duly adopted by the State of Delaware and submitted to the Environmental Protection Agency.
- 2.16 **WATERSHED MANAGEMENT PLAN:** Shall mean any written description of voluntary or mandatory actions that will result in the reduction of pollutant loads to a surface water body. Plans shall be prepared by a qualified agency and include, but not be limited to, Watershed Implementation Plans, Comprehensive Conservation and Management Plans, and Basin Plans.

SECTION 3 - PRIORITY SYSTEM

3.01 All projects, or in the case of non-point source activities programs, considered eligible for State and Federal funding assistance will be evaluated in accordance with the criteria listed below and described in Section 4 - Criteria for Evaluation and Rating. Priorities will strictly follow the scores received. The “best” score a project may receive is 120 points; such a project would have the highest possible priority. The numerical score is derived using the following classifications:

| | Maximum Pts | Bonus Pts |
|--|--------------------|-------------|
| I. Water Quality Protection | 0-45 points | 0-10 points |
| II. Targeted Water Bodies | 0-20 points | |
| III. Clean Water Priorities | 0-20 points | |
| IV. Strategies for State Policies and Spending | 0-10 points | |
| V. Green Project Reserve | 0-10 points | |
| VI. Sustainability | 0-30 points | |
| VII. Land Conservation Sponsorship | 0 points | 10 points |
| VIII. Borrower Type | <u>0-10 points</u> | |
| Total Priority Score | 145 points | 30 points |

SECTION 4 - CRITERIA FOR EVALUATION AND RATING

4.01 WATER QUALITY PROTECTION (0-45 points plus 10 bonus points)

For Nutrients, the effectiveness of a given project will be rated based upon the total pounds of nitrogen plus the total pounds of phosphorus that will be removed from discharges as a result of the project. Based on studies conducted by the Department, the total nitrogen plus total phosphorus removal for septic eliminations will be calculated at 0.13 pounds per day per EDU. Other projects, such as wastewater treatment facilities, combined sewer overflows, etc. will be calculated based on engineer’s estimates. Points will be determined for effectiveness by multiplying the estimated total pounds of nitrogen plus phosphorus per day to be removed from the discharge by 0.30 (Maximum Points = 45). The qualified agency may submit additional information to support the estimated total pounds of nitrogen plus phosphorus to be removed from the discharge.

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 Points = 45). The qualified agency may submit additional information to support the estimated percent reduction in toxic impact associated with the project.

Non-point source projects will receive points based on the published efficiencies of the best management practices (BMP’s). The points will be determined on the percent efficiency of the project multiplied by 45 points. (i.e. a BMP with a 20% efficiency will receive 9 points).

Treatment plant projects that provide a higher level of treatment than required in the applicable permit will receive an additional BONUS point for each 10% of the allowable pollutant load eliminated by the project.

4.02 TARGETED WATER BODIES (0-20 points)

Pursuant to Section 303(d) of the Clean Water Act, every April 1st of every even-numbered year, Delaware develops a list of waters that do not meet surface water quality standards and need Total Maximum Daily Loads (TMDLs). TMDLs establish the maximum point and non-point source loadings of certain pollutants that must not be exceeded if surface water quality goals are to be met. Priorities (High, Medium, Low) are also established in order to set milestones for the development of TMDLs. Additionally, the “303(d) List” identifies those water bodies targeted for TMDL activities (e.g., monitoring, modeling, developing options, etc.) during the coming 2 years. Scores are assigned as follows:

| <u>TMDL Status</u> | <u>Score</u> |
|---|--------------|
| Project addresses an existing TMDL allocation, or | 20 |
| Project addresses a watershed management plan, or | 10 |
| None of the above | 0 |

4.03 CLEAN WATER FACILITY PRIORITIES (0-20 points)

Criteria for ranking specific types of projects that contribute to achieving statewide environmental priorities are presented in this Section.

A. SEPTIC SYSTEM ELIMINATION PROJECTS

Septic system elimination projects will receive fifteen (15) points.

B. WASTEWATER TREATMENT FACILITIES and COMBINED SEWER OVERFLOWS (CSO's)

Projects that provide new, upgraded, or expanded wastewater treatment and disposal facilities or eliminate or reduce the impact of wastewater discharges, including CSO's, but excluding septic elimination projects, will receive twenty (20) points.

C. OTHER WASTEWATER FACILITY PROJECTS

Projects that provide upgraded or expanded wastewater collection systems, including inflow and infiltration (I&I) elimination, that provide new, upgraded or expanded wastewater transmission systems, including pump or lift stations, but excluding septic elimination projects, will receive ten (10) points. Projects that correct I&I problems will receive fifteen (15) points.

D. SURFACE WATER MANAGEMENT PROJECTS

Projects that correct surface water management problems will receive fifteen (15) points. Projects that address surface water management problems under a MS4 permit will receive twenty (20) points.

E. WATERSHED APPROACH TO TOXICS ASSESSMENT AND RESTORATION (WATAR)

Projects that implement elimination or reduction of toxic impacts in Delaware surface waters will receive fifteen (15) points. Projects that eliminate or reduce toxics and implement wetland restoration will receive twenty (20) points.

F. OTHER WATER QUALITY PROJECTS

Other eligible projects that address a non-point source problem, wetland restoration, or other watershed related problem will receive ten (10) points.

4.04 STRATEGIES FOR STATE POLICIES AND SPENDING (0-10 points)

The Governor's Cabinet Committee on State Planning Issues has approved "Delaware Strategies for State Policies and Spending".

A. In part it reads as follows: "It is the State's philosophy that:

1. State spending should promote quality and efficiency – not sprawl.
2. State policies should foster order and resource protection – not degradation."

B. Investment Level Descriptions:

1. Level 1 – The State will direct maximum assistance to upgrades, reconstruction, treatment improvements, and system expansions and will place priority on existing systems for improved efficiency, enhanced water quality management, and additional capacity for redevelopment, infill, and for new community development that supports efficient and orderly land use patterns.
2. Level 2 – The State will direct assistance to extending existing or creating new systems where logical, or where they would prevent future environmental or health risks.
3. Level 3 - State financial assistance to local government's wastewater facilities will be prioritized in Level 1 and 2 areas before being considered in Investment Level 3. Investments needed to correct public health and existing environmental problems will be considered on a case-by-case basis.

4. Level 4 - Additional state investments in water and wastewater systems will be limited to existing or imminent public health, safety or environmental risks only, with little provision for additional capacity to accommodate further development.
5. Out of Play - Lands that are not at all available for development or for redevelopment. These include publicly-owned lands, lands for which serious legal constraints on development are identified, and lands in some form of permanent open-space protection.

Investment Level Scores - Projects in investment areas will be rated as follows:

| <u>Investment Level (212 projects only)</u> | <u>Points</u> |
|---|---------------|
| Level 1 | 10 |
| Level 2 | 10 |
| Level 3 | 5 |
| Level 4 | 0 |
| Out of Play | 0 |

Non-Point Source projects are highly likely to be in non-investment areas and do not contribute to sprawl.

| | |
|---------------------------------|----|
| Non-Point Source Projects (319) | 10 |
|---------------------------------|----|

4.05 GREEN PROJECT RESERVE (0-10 points)

Congress' intent in enacting the Green Project Reserve (GPR) is to direct State investment practices in the water sector to guide funding toward projects that utilize green or soft-path practices to complement and augment hard or gray infrastructure, adopt practices that reduce the environmental footprint of water and wastewater treatment, collection, and distribution, help utilities adapt to climate change, enhance water and energy conservation, adopt more sustainable solutions to wet weather flows, and promote innovative approaches to water management problems. Over time, GPR projects could enable utilities to take savings derived from reducing water losses and energy consumption, and use them for public health and environmental enhancement projects. Additionally, EPA expects that green projects will help the water sector improve the quality of water services without putting additional strain on the energy grid, and by reducing the volume of water lost every year.

Projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities will receive additional points in the ranking.

Eligibility will be determined by using the EPA document: 2010 Clean Water and Drinking Water State Revolving Fund 20% Green Project Reserve: Guidance for Determining Eligibility – April 21, 2010

Projects that meet the requirements of one of the four categories below will receive ten (10) points.

A. GREEN INFRASTRUCTURE

Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, permeable pavements and cisterns.

B. WATER EFFICIENCY

EPA's WaterSense program defines water efficiency as the use of improved technologies and

practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future.

C. ENERGY EFFICIENCY

Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water quality projects, use energy in a more efficient way, and/or produce/utilize renewable energy.

D. ENVIRONMENTALLY INNOVATIVE

Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way.

4.06 SUSTAINABILITY (0-30 points)

A. ASSET MANAGEMENT

The project will receive ten (10) points if the system has mapped its wastewater collection and treatment components and analyzed conditions, including risks of failure, expected dates of renewals and ultimate replacements, and sources and amounts of revenues needed to finance operations, maintenance and capital needs.

B. FULL COST PRICING

The project will receive ten (10) points if project/system has developed appropriate pricing/rate/affordability standards to build, operate, and maintain systems AND project/system has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure.

C. CLIMATE CHANGE / RESILIENCY

Projects that incorporate climate change considerations and/or that increase climate resiliency will receive ten (10) points. The State of Delaware has published scenarios for sea level rise and projections for precipitation and temperature that can be utilized for this purpose.

4.07 WATER QUALITY or LAND CONSERVATION SPONSORSHIP (10 bonus points)

The project will receive ten (10) points if the applicant is willing and eligible to sponsor a Forestland, Open Space, or Wetlands Conservation Easement or an Ecology or Watershed Restoration Project. Project must be defined to receive credit for this section.

4.08 TYPE OF APPLICANT (0-10 points)

Applicants will receive points based on type of borrower:

| | |
|---|-----------|
| Municipality (i.e. City, Town, or County) | 10 points |
| State Agency | 10 points |
| Non-Profit | 5 points |
| None of the Above | 0 points |

4.09 PROJECT PRIORITY LIST

Projects are ranked based upon the total scores. The total scores will determine the Project Priority List. In the case of a tie in the priority ranking, projects will be selected in the order of the population served. The project benefiting the larger population will be rated higher.

SECTION 5 - OPERATING PROCEDURES

- 5.01 Potential applicants for a WPCRF loan are to notify the Department of their intent to seek financial assistance for a project to be undertaken in the subsequent fiscal year (beginning July 1). Potential applicants may submit a Notice-of-Intent by as directed by the Department.
- 5.02 Potential loan applicants will be notified by the Department at least thirty (30) days in advance an impending deadline for receipt of Notifications-of-Intent.
- 5.03 The Notification-of-Intent shall contain the following information:
- a. Name of municipality or qualified agency and responsible party.
 - b. Estimated total construction costs of the project for which a loan will be sought. Also, the estimated cost of the planning studies and the design costs (preparation of plans and specifications). List the various costs separately.
 - c. Brief description of the proposed project including anticipated scope, water pollution control needs, and population affected. The description must be sufficient to evaluate the project based on the project priority list ranking criteria.
 - d. Estimated dates of initiation and completion of the preliminary plans and studies (if completed, so state).
 - e. Estimated dates of initiation and completion of construction drawings and specifications (if completed, so state).
 - f. Estimated dates of initiation and completion of construction.
 - g. Estimated date(s) of initiation of operations.
 - h. The NPDES or other permit number if one exists.
- 5.04 Successful applicants will be notified of their placement on the State's "Project Priority List" for the subsequent fiscal year.
- 5.05 Once notified of their placement on the fundable portion of the Priority List, qualified agencies will have sixty (60) days to submit a complete application and retain their rank on the Priority List.
- 5.06 All loan applications must be complete and accompanied by the required "mandatory documents" stipulated in the procedures of the Delaware Water Pollution Control Revolving Fund, and any additional checklists and/or background materials requested by the Department and of which the applicant shall be informed.
- 5.07 Applicants for projects on the "Planning Priority List" will be notified and their projects advanced to the Fundable Priority List in order of their priority score or readiness to proceed when, for any reason, a project must be removed from the current years Fundable Priority List, or when additional funds become available.
- 5.08 Applicants may be given at least fifteen (15) days by the Department to supply missing or corrected mandatory application documents and at least twenty (20) days to comply with requests for corrections, changes, or additions to the plans and specifications. Failure to respond within the period stipulated in the letter of transmittal may result in the project being dropped to the bottom of the review list for processing.
- 5.09 Applications will be processed and the plans/specifications reviewed by the Department in chronological

order of receipt of same from the applicant. In the case of concurrent submittal, priority score will determine the review position.

- 5.10 Projects on the “Planning Priority List” will not automatically be placed on a subsequent years Project Priority List. Applicants must resubmit the Notification-of-Intent in order to have the project reviewed and scored again for placement on the subsequent years Project Priority List.
- 5.11 The Council shall annually hold a public hearing on the proposed project priority lists in accordance with Sec. 8003(11)(d)(2) of 20 Delaware Code and comment upon, approve, or rearrange the priority lists.

DRAFT