State of Delaware Water Pollution Control Fund

FFY 2023 Intended Use Plan

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Delaware Water Pollution Control Revolving Fund

FFY 2023 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 2023 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 2023.

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 2023 Project Priority List (2023 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 2023 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 disadvantaged communities by partnering with Counties, municipalities, DHSS, Delaware State Housing Authority, Southeast RCAP, 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.

<u>Long-Term Goals</u>

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 Bipartisan Infrastructure Law (BIL).

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

III. Fund Sources, Uses, and Program Requirement

DNREC will be applying for the FFY 2023 Federal Base Capitalization Grant of $5,681,000 (estimated as final allotments have not been provided for the Base Grant) for which a twenty percent (20%) State match $1,136,200 is required, the General Supplemental Grant of $10,336,000 for which a ten percent (10%) State match $1,033,600 is required, and the Emerging Contaminants Grant of $1,043,000 for which a zero percent (0%) State match $0 is required. The required (20% and 10%) State matches will be provided from State appropriations.

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 $667,665 was used for SFY 2023 and $667,665 is projected for SFY 2024 use.

Additionally, two percent (2%) of the combined FFY 2023 Federal Capitalization Grants will be used for technical assistance, estimated at $339,140. The 2% is intended to assist rural and small publicly owned treatment works. The uses of fund include, but is 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 estimated ten percent (10%) minimum additional subsidy of $568,100, 10% mandated congressional authority subsidy of $568,100 for the Base FFY 2023 Grant will be used for principal loan forgiveness for eligible borrowers; and (10%) $568,100 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%) $1,704,300 estimated of the FFY Base 2023 Grant may be used for additional subsidization under WRRDA based on project affordability.

The mandated forty-nine (49%) of the FFY 2023 Supplemental Federal Capitalization Grant in the amount of $5,014,170, additionally 10% ($1,033,600) will directed toward GPR funding. The mandated one hundred percent (100%) of the FFY 2023 Emerging Contaminants Federal Capitalization Grant in the amount of $1,043,000 will be used for additional subsidy for eligible borrowers, of which $104,300 will be directed to GPR.

The CWSRF reserves the right to transfer up to the full amount of emerging contaminants grant to the DWSRF.

Table-1 Sources and Uses

CWSRF SFY 24 Sources:

Projected Fund Balance at 6/30/2023	$102,530,399
Base Cap Grant (Estimated)	$5,681,000
Base Cap Grant State Match (Estimated)	$1,136,200
Supplemental Cap Grant	$10,233,000
Supplemental Cap Grant State Match	$1,023,300
Emerging Contaminants Cap Grant	$1,043,000
Emerging Contaminants Cap Grant State Match	$0
Projected Repayments to the Fund	$20,519,555
Projected Investment Interest Income	$0
Total Sources for SFY 24	**$142,166,454**

CWSRF SFY 24 Uses:

1/5th of 1% Administration of the Fund (Estimated)	$667,665
2% Technical Assistance (FFY 23 All Cap Grants Estimated)	$339,140
Estimated Loan Disbursements from PPL & Loans in Construction	$115,848,123
Total Uses	**$116,854,928**
Projected Ending Fund Balance at 6/30/2024	$25,311,526

Note* Total PPL exceeds expected disbursements

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 12, 2023, 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 2023 PPL process by February 15, 2023. Seventeen (17) new NOIs were received totaling $86,095,114.

The selection process for funding projects in part with FFY 2023 Grant funds is based on their respective 2023 PPL ranking, and readiness to proceed. The following projects with a total cost of $310,382,582 may receive CWSRF funding: thirty-five (35) Wastewater/Stormwater Projects are projected to utilize $270,461,582 from the CWSRF; and four (4) Green Project Reserve (GPR) projects are projected to utilize $7,539,000. 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
Lewes Board of Public Works					
Cape Henlopen Sewer Extension	$3,875,000	$3,875,000	$3,875,000		
Kent County Levy Court					
Whispering Pines MHP Septic Elimination - Phase 2	$737,856	$722,856	$722,856		
US 13 South Force Main Replacement Project	$10,314,015	$6,894,015	$6,894,015		
Pipeline Condition Assessment (Pipe>12 in Diameter)	$4,300,000	$2,300,000	$2,300,000		
Pipeline Condition Assessment (Pipe<12 in Diameter)	$4,100,000	$3,100,000	$3,100,000		
City of Wilmington					
Aeration/Secondary Clarifiers Rehab. Phase 1 & 2	$16,590,000	$16,590,000	$16,590,000		
Digester Rehabilitation Phase 2	$5,406,000	$5,406,000	$5,406,000		
Dewatering Process Rehab	$3,388,000	$3,388,000	$2,345,000		$1,043,000
South Wilmington Sewer Separation Outfall B and Outfall C	$9,000,000	$9,000,000	$9,000,000		
11th St Pump Station Replacement and Upgrade: Phase 2 of 4	$14,500,000	$14,500,000	$14,500,000		
Prices Run Interceptor and CSO4A Outfall Rehabilitation	$12,000,000	$12,000,000	$12,000,000		
WWTP Main Switchgear and Electrical Substations	$5,500,000	$5,500,000	$5,500,000		
Digester Improvement Flare	$4,000,000	$4,000,000	$4,000,000		
Wilmington 11st Sewage PS replacement and upgrade	$5,000,000	$5,000,000	$5,000,000		
Sussex County Council					
Warwick Park Area Pump Station and Forcemain	$2,350,000	$1,225,000	$1,225,000		
Blackwater Village	$13,060,913	$13,060,913	$2,827,913	$10,233,000	
Briarwood Estates	$4,200,150	$4,200,150	$4,200,150		
North Ellendale Diversion	$4,239,236	$4,239,236	$4,239,236		
New Castle County					
Southern Sanitary Sewer Area	$26,767,000	$26,767,000	$26,767,000		
West Wing Sanitary Sewer System	$20,335,000	$20,000,000	$20,000,000		
Christina River Force Main Rehabilitation - Phase 1 and 2	$65,000,000	$33,150,000	$33,150,000		
Airport Road Sanitary Sewer System Interceptor Revitalization	$7,750,000	$7,750,000	$7,750,000		
Richardson Park Pump Station - Phase 2	$15,549,000	$15,000,000	$15,000,000		
Diamond State Sustainability Corp					
Grants Way Community Septic Elimination	$4,594,400	$4,594,400	$4,594,400		
Sandy Ridge	$4,157,400	$4,157,400	$4,157,400		
City of Newark					
Sanitary Sewer Study and Repairs	$2,200,000	$2,200,000	$2,200,000		
Town of Middletown					
Rapid Infiltration Basins - Von Croy Farm	$2,982,962	$2,982,962	$2,982,962		
Northwest Region Septic Elimination	$460,000	$460,000	$460,000		
Pump Station and Force Main to Water Farm No. 1	$13,828,000	$13,828,000	$13,828,000		
Northeast Quadrant - Sewer System Improvements	$2,568,553	$2,568,553	$2,568,553		
City of Seaford					
Seaford WWTF - Upgrade and Expansion	$7,370,000	$7,300,000	$7,300,000		
Martin Farms Sewer Relocation	$3,121,282	$3,121,282	$3,121,282		
Town of Camden					
Drainage Improvement and Sediment Control	$80,000	$80,000	$80,000		
Southwood Acres LLC					
Pump Station and Force Main	$1,775,000	$1,775,000	$1,775,000		
Town of Delmar					
Sewer Replacement Phase 3	$1,725,815	$1,725,815	$1,725,815		
Total Wastewater	**$302,825,582**	**$262,461,582**	**$251,185,582**	**$10,233,000**	**$1,043,000**

Green Project Reserve					
Applicant / Project Name	Total Project Cost	CWSRF Loan Requested	Base or Corpus Funding	Supplemental Funding	EC Funding
DNREC, Environmental Finance					
Green Project Reserve	$3,000,000	$3,000,000	$3,000,000		
Town of Millsboro					
Sussex Central HS Reclaimed Water PS and Pivots	$750,000	$750,000	$750,000		
Sussex Central HS Reclaimed Beneficial Reuse Main	$3,600,000	$3,600,000	$3,600,000		
Southern Delaware Communities					
Colonial Estates MHP	$207,000	$189,000	$189,000		
Total GPR	$7,557,000	$7,539,000	$7,539,000		
Total	$310,382,582	$270,000,582	$258,724,582	$10,233,000	$1,043,000

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 not be determined eligible, the CWSRF reserves the right to solicit additional Emerging Contaminant projects for the balance of the grant.

V. Interest Rates and Loan Terms

The proposed interest rate policy will go in effect on March 1, 2023. Project affordability criteria and interest rates apply to new public, private/public use, investor-owned, and private/private use CWSRF and DWSRF loan applications.

- Interest plus fee rates shall be set at 2.0 percent per annum.
- Administrative Fees shall be set at 50 percent the overall interest rate.
- 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.

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 assure 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.

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 follow 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 of MHI will be considered affordable for a single wastewater or drinking water residential user rates; 3.0 percent 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. Based on the percent above the threshold, 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. Communities with greater than or equal to 12.1% vacant households would be eligible for additional subsidy. Based on the percent above the threshold, additional subsidy may be provided to the extent available.

Or; if the applicant is deemed "disadvantaged" by one of these methods:

- Climate and Economic Justice Screening Tool:

  https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5

- The community has greater than or equal to 30.9% population living under 200% of poverty level

If considered disadvantaged under this method, additional subsidy consideration may be given on a percentage basis in concert with any wastewater rate increase (to the extent available).

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 will 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, 2023, DNREC has achieved grant compliance for the required 10% (minimum) loan forgiveness through FFY 2021. Delaware has allocated $28.5 million in principal loan forgiveness to date and plans to allocate $7.8 million in SFY 2023.

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 Clean Water Act 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 Green Project Reserve. 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 Comprehensive Conservation Management Plans 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.

<u>Water Efficiency</u>

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 Selection 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

Land Conservation Loan Sponsorship Program and Water Quality Loan Sponsorship Program (Programs are currently on hold until such time that interest rates support sponsorships)

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 15, 2023. A public hearing on the PPL and IUP was noticed to the Public Meeting Calendar on February 15, 2023. Newspaper notices were posted in the Delaware News Journal and Delaware State News on February 19 and February 26, 2023, informing the public of a Public Hearing to be held on March 15, 2023, to receive public comment on the 2023 PPL and IUP. The WIAC will meet on March 15, 2023, to review, approve, and recommend the PPL and IUP; subject to no adverse public comments received by April 15, 2023.

XII. Assurances

Required Reporting

Delaware will enter all projects funded into the National State Revolving Fund Data System on an ongoing basis.

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.

Disadvantaged Business Enterprise (DBE)

To ensure compliance with this requirement, the CWSRF will review and approve the DBE solicitation efforts of the borrower / borrower's engineer for prime contractors as well as efforts of the subcontractors associated with each selected prime contractor.

Davis Bacon Wage Rate Act Requirement

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

Expeditious and Timely Expenditures

To help ensure that more loans close on time and projects are completed as soon as possible, 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 (effective July 1st) – $75k per project is available for the development of required PERs and 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% Loans for Projects that are not Ready to Proceed. Loans to allow funding for design and planning 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 Non-Federal Administrative Account 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. Subcommittee recommendations will be made to the full WIAC for consideration and implementation.

First Use for Enforceable Requirements Certification

Delaware certifies that all of its municipal facilities are in substantial compliance with their current 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 Requirement

CWSRF Base Grant - $5,681,000 will use the New Castle County Christina River Forcemain Project ($33.1 Million in total will report $5,681,000)

CWSRF Supplemental - $10,233,000 will use the Sussex County Blackwater Village Septic Elimination Project ($13.0 Million in total will report $10,233,000)

CWSRF Emerging Contaminants - $1,043,000 will use the City of Wilmington Dewatering Process Rehab project ($3.4 Million in total will report $1,043,000)

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 2023 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 Non-Federal Administration Account (NFAA) funded by one percent of the 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 due to the fact that Federal capitalization grants that 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. The NFAA is now 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 CRF 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 SFY2022 was $3,299,986, which includes $646,568 of CWSRF Federal Admin revenue. Total CWSRF NFAA Expenses were $2,787,392, which include $1,250,847 for EF activities; Water/Watershed technical program expenses $523,384; and wastewater/surface-water grant obligations of $1,013,161. The ending available fund balance for SFY2022 was $7,350,487. Below is a list of the 2023 uses.

- CWSRF Program Administrative Expenses
- Contractual Groundwater Position
- Contractual Stormwater Position
- 6 Division of Water Positions
- Septic Rehabilitation Grant Program
- Agricultural Non-Point Source Grant Program
- Expanded Uses Non-Point Source 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 2023 CWSRF Wastewater & GPR Projects – Funding List
- Attachment B Non-Fed Admin Current & Planned Uses
- Attachment C 2023 CWSRF Sources & Uses of Funds
- Attachment D Cumulative Binding Commitments & Disbursements
- Attachment E FFY 2023 ACH Payment Schedule
- Attachment F 2015 PPL SOP

Attachment A - FFY 2023 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

FFY 2023 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	5	84	City of Lewes Board of Public Works	Cape Henlopen State Park Sewer Extension	613	Inland Bays - Lewes-Rehoboth Canal WW NPDES Discharge Permit DE 0021512	$3,875,000	N/A	N/A	$3,875,000	212

Description of Project and Problem: The purpose of the project is to eliminate the existing CHSP primary wastewater treatment facility (Imhoff Tank system) that currently discharges via rapid infiltration basins (RIBs) within the State Park, and pump all of its wastewater into the BPW sanitary sewer collection system within the Cape Shores development located on Cape Henlopen Drive – the flow will ultimately be treated at the BPW advanced wastewater treatment facility thereby eliminating significant concentrations of suspended solids, biological oxygen demand, and nutrients from entering the groundwater near the Lewes-Rehoboth Canal. This is a significant water quality improvement to the Inland Bays/Atlantic Ocean watershed and the excellent groundwater recharge area around the City of Lewes. The CHSP Main Pump Station, that currently pumps from the primary WWTF to the RIBs, will be replaced with a newly constructed pump station, and pump station structure, to increase flow capacity, replace damaged and outdated equipment, meet current design practices for wastewater facilities, and raise the facilities above the floodplain elevation including a 0.4-meter (1.31-feet) sea level rise consideration. A new 4-inch to 6-inch force main and short run of gravity sewers will be constructed to convey flows from the new CHSP Pump Station to the existing BPW Pump Station No. 83. BPW Pump Station No. 83 will also be upgraded to increase capacity to accommodate projected flows from the CHSP, replace damaged and outdated equipment, meet current design practices for wastewater facilities, and raise certain components above the floodplain elevation. Initial improvements will upgrade Pump Station No. 83 from the current capacity of 82,000 gallons per day (gpd) to 137,500 gpd. In addition, the electrical and flow meter systems at Pump Station No. 83 will be upgraded to accommodate the ultimate future flow of 176,000 gpd. Future improvements would be implemented when flows to Pump Station No. 83 reach 80% of 137,500 gpd (i.e., 110,000 gpd), and would upgrade the pump station to accommodate 176,000 gpd

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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	$7,370,000	N/A	N/A	$7,300,000	212

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 WNTF 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.

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	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

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.

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	15	35	New Castle County Department of Public Works	West Wing Sanitary Sewer System	17,000	Delaware Bay & Estuary - Delaware River N/A	$20,335,000	N/A	N/A	$20,000,000	212

Description of Project and Problem: The purpose of the project is to design and construct the West Wing portion of the County's Southern Sewer Service Area (SSSA). 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 SSSA is divided into three areas; the Central Core Area, and the East and West Wings. The West Wing portion of the SSSA includes the land areas on the north and south side of Churchtown Road, bound on the east by properties on both sides of the Route #896 Summit Bridge Road corridor and bound on the west by the Maryland-Delaware Stateline. The project proposes to construct a regional pump station and two force mains to convey wastewater from the West Wing, to the Central Core and ultimately to the Water Farm Wastewater Treatment Plant. The West Wing infrastructure will convey approximately 1.3 million gallons of wastewater per day (mgd) on average with a peak capacity of 5.5 mgd.

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	14	35	Kent County Levy Court Department of Public Works	Whispering Pines Mobile Home Park, Phase 2 Septic	115	Delaware Bay & Estuary - St. Jones River NPDES DE 0020338	$737,856	N/A	N/A	$722,856	212

Description of Project and Problem: The "Whispering Pines, Phase 2 Septic Elimination Project" is the construction of the remaining central sewer system to serve the remaining portion of Whispering Pines Mobile Home Park, connect about 52 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 Phase 1 gravity sewer system.

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	17	30	New Castle County Department of Public Works	NCC Airport Road Sanitary System Original Interceptor	108,000	Piedmont - Christina River N/A	$7,750,000	N/A	N/A	$7,750,000	212

Description of Project and Problem:
Investigation and rehabilitation and/or replacement of sanitary sewer assets.

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	18	30	New Castle County Department of Public Works	Richardson Park Pump Station - Phase 2	30,000	Delaware Bay & Estuary - Delaware River N/A	$15,549,000	N/A	N/A	$15,000,000	212

Description of Project and Problem: The purpose of the project is to complete the construction of the new Richardson Park Pump Station, including the construction of all vertical assets, mechanical, electrical, and site improvements. The existing Richardson Park Pumping Station was built in 1952 and has undergone multiple modifications since the original construction. Considered as one of the five major pump stations contributing to New Castle County's Christian River Force Main, the existing Richardson Park station is currently the oldest major pump station facility in New Castle County. The station conveys an average of 4 million gallons per day (MGD) with maximum station capacity of 19.5 MGD. Phase 1 of the project was completed in 2019, primarily involving the construction of the new subsurface pumping well; of which, the new location has been located out of the 100-year FEMA flood plain, providing future safeguard and resiliency in wastewater service to the region. The existing station has exceeded the intended service life and is need of replacement. The project will secure NCC Public Works ability to provide reliable, safe, and consistent wastewater service to the Richardson Park Sewer Basin, which consists of an estimated population of 30,000 residents and customers.

Attachment A - FFY 2023 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

FFY 2023 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	20	20	Kent County Levy Court Department of Public Works	US 13 Force Main Replacement Project - Puncheon Run to Rising	130,000	Delaware Bay & Estuary - St. Jones River NPDES DE 0020338	$10,314,015	N/A	N/A	$6,894,015	212

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 for Contract T201709503 – East Camden Bypass. The projects are directly adjacent to each other and include roadway widening and safety upgrades to US 13 and SR 10. 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 of the wastewater treated at the Kent County Wastewater Treatment Facility. 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.• 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 / East Camden Bypass intersection. It will then cross US 13 and proceed along the new alignment of the East Camden Bypass, then crossing SR 10 to Rising Sun Road. 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 to provide for system continuity and flow capability. DelDOT concurs with this approach and is a 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.

2022	5	70	City of Wilmington	Aeration/Secondary Clarifiers Rehab. Phase 1 and 2	70,000	Piedmont - Shellpot Creek NPDES DE0020320	$16,590,000	N/A	N/A	$16,590,000	212

Description of Project and Problem: The existing aeration and final basin (secondary clarifier) structures at the Wilmington WWTP were built in 1971 and expanded in 1993. The secondary system at the WWTP is the heart of the treatment process removing soluble BOD to meet the plant effluent requirements. The aeration system is estimated to be responsible for over 50% of the overall power consumption at the Wilmington WWTP, therefore, an upgrade of the existing blowers with a more efficient type of blower would have a significant impact. 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. Additionally, many mechanical, electrical, and controls components are in poor condition and obsolete. The safety of operations and maintenance staff to monitor and repair the existing large, loud, high heat blowers in the pipe gallery are a concern. The major components of this project are: · Secondary Pipe Gallery Improvements: includes crack and substrate repairs to leaky walls and ceilings to maintain structural integrity of secondary plant area · Blower Upgrade: replace existing centrifugal blowers with highspeed turbo blowers with sound attenuation, new motor control center, air control valves, instruments, electrical wiring, and controls. · Aeration tank structural repairs/replacement: Replacement of existing concrete decking between tanks for safety with new aluminum grating.

2022	6	70	City of Wilmington	Digester Rehabilitation Phase 2	70,000	Piedmont - Shellpot Creek NPDES DE0020320	$5,406,000	N/A	N/A	$5,406,000	212

Description of Project and Problem: At the Wilmington WWTP, there are 5 operating digesters three of which were built in the 1950s and the other two built in the 1980s. Each has floating steel covers that are tilting, corroded, and well beyond their expected useful life. The digester mixing system installed over 20 years ago has not been used and is inoperable. Operator experience is that it never operated correctly. The project involves replacing the covers and installing a hydraulic mixing system (if needed) that maintains uniform digester conditions. The interior condition of concrete inside the digesters is unknown, there have not been any inspections in at least 15 years. Phase 2 encompasses the work needed on the second of five digesters to be rehabilitated/repaired. Project Scope - This project would include the following main components: Condition assessment to fully define scope of rehabilitation for tank structure (after draining and cleaning), Removal of old floating cover, Installation of new fixed steel or membrane style cover, Installation of hydraulic mixing system (if needed), Electrical equipment upgrades as needed for cover selected, Piping and valve modifications/improvements. Additional items found during condition assessment, such as structural issues are not currently included in costs. Due to operational constraints, digester rehabilitation will be with an estimated duration of 9-12 months per digester.

2022	8	70	City of Wilmington	Dewatering Process Rehab	70,000	Piedmont - Shellpot Creek NPDES DE0020320	$3,388,000	N/A	N/A	$3,388,000	212

Description of Project and Problem: Centrifuges are critical to the dewatering process and minimizing solids disposal costs. Solids disposal of non-dewatered material would not have a readily available disposal outlet and present non-compliance challenges. High quality solids enhance performance at the two existing centrifuges were installed at the Wilmington WWTP in 1999 and 2003. They have been rebuilt multiple times and the vendor has identified that replacement is required. Currently, the two centrifuges cannot operate up to their full potential. Due to their condition, frequent downtimes occur due to repairs and maintenance are experienced. Project Scope - This project would include the following main components: · Removal of existing 2 centrifuges, · Replacement of 2 centrifuges, · Enhancement of electrical system reliability · Reestablishment of controls, · Factory and field testing of all equipment and controls. Additionally, given its outdated technology, any need for operational modification will require system shut off. The project includes replacing the two existing centrifuges with new centrifuges that are more operationally efficient and can lessen performance interruptions due to upkeep.

2022	9	70	City of Wilmington	South Wilmington Sewer Separation Outfall B and Outfall C	70,000	Piedmont - Christina River NPDES DE0020320	$9,000,000	N/A	N/A	$9,000,000	212

Description of Project and Problem: The South Wilmington Sewer Separation project aims to reduce CSO volumes and provide flood mitigation. This project will separate 27 acres of combined sewer pipes into stormwater and sewer pipes. When it rains, water will flow through the new stormwater pipes and into the restored South Wilmington Wetlands Park (SWWP), where it will be held, treated naturally to remove pollutants and gradually released into the Christina River. The South Wilmington Sewer Separation Outfall B and Outfall C project is listed in the City's Capital Improvement Plan (CIP) and has approved spending authority from City Council, meaning once funded, this project can start immediately. The scope of work/funding in this submittal will replace funding previously approved under the South Wilmington Wetland Park and Sewer Separation Project. Phase 1 of the sewer separation project (A Street) will continue to be funded under the currently funded project scope. This submission requests funding for Phase 2 and 3 of the sewer separation construction, and if approved, will result in a corresponding reduction of SRF drawdown requests from the currently funded SRF loan to be replaced by the new SRF loan. Project Scope - The major components of this project are: - Installation of new separate stormwater pipes and manholes, - Installation on new drainage inlets, - Installation of box manholes- Replacement of drainage inlets, - Enhancement of drainage vaults

Attachment A - FFY 2023 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List

FFY 2022 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
2023	N/A	95	DNREC, Environmental Finance	Green Project Reserve	961,939	TBD N/A	$3,000,000	TBD	Yes	$3,000,000	319/GPR

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.

3	2023	70	The Town of Millsboro	Sussex Central School Reclaimed Water Irrigation Pump Station and Pivots	~7,000	Inland Bays - Indian River See Project Description	$750,000	Water Efficiency	N/A	$750,000	212/GPR

Description of Project and Problem: This project includes the construction of a beneficial reuse main that would be installed from the new White Farm WWTP to the spray irrigation systems at the Indian River School District (IRSD) Sussex Central High School. The Town has an agreement with the Delaware Division of Health and Social Services (DHSS) that allows the sanitary sewer from the Stockley Center to be pumped into the Town's collection system. Currently the force main from Stockley discharges near the Route 24 Millsboro Pond bridge. The force main is antiquated, and the Town is fearful that the force main may fail. Therefore, the Town wishes to install a parallel sanitary sewer force main at the same time as the BRM for realization of economies of scale. The sewer force main will be extended to Stockley's property line, which will allow them to connect to the new force main and redirect Stockley sewer to the new White Farm WWTP. The parallel force main is included in this application funding request. PROJECT CONSTRUCTION SUMMARY The beneficial water reuse project will most likely be constructed in two contracts: • Construction of a below-grade pop-up pivot spray irrigation system at the Indian River School District Sussex Central High School location and expansion thereof. Please see attached Project Location for locations of existing (White Fields) and future (Green Fields) locations. • Construction of approximately 9,300 linear feet of beneficial reuse main (BRM).

5	2023	60	The Town of Millsboro	Sussex Central School Reclaimed Water Irrigation Beneficial Reuse Main	~7,000	Inland Bays - Indian River 0	$3,600,000	Water Efficiency	N/A	$3,600,000	212/GPR

Description of Project and Problem: This project includes the construction of a beneficial reuse main that would be installed from the new White Farm WWTP to the spray irrigation systems at the Indian River School District (IRSD) Sussex Central High School. The Town has an agreement with the Delaware Division of Health and Social Services (DHSS) that allows the sanitary sewer from the Stockley Center to be pumped into the Town's collection system. Currently the force main from Stockley discharges near the Route 24 Millsboro Pond bridge. The force main is antiquated, and the Town is fearful that the force main may fail. Therefore, the Town wishes to install a parallel sanitary sewer force main at the same time as the BRM for realization of economies of scale. The sewer force main will be extended to Stockley's property line, which will allow them to connect to the new force main and redirect Stockley sewer to the new White Farm WWTP. The parallel force main is included in this application funding request. PROJECT CONSTRUCTION SUMMARY The beneficial water reuse project will most likely be constructed in two contracts: • Construction of a below-grade pop-up pivot spray irrigation system at the Indian River School District Sussex Central High School location and expansion thereof. Please see attached Project Location for locations of existing (White Fields) and future (Green Fields) locations. • Construction of approximately 9,300 linear feet of beneficial reuse main (BRM).

2023	15	50	Southern Delaware Communities	Colonial Estates MHP Wastewater Treatment Facility	280	Inland Bays - Indian River N/A	$207,000	Green Infrastructure	N/A	$189,000	319/GPR

Description of Project and Problem: Work Description
Installation of 10,000 gallon pre-eq tank with coarse bubble diffusers, level transmitter, and install wavtex fixed media.
Installation of (2) Wastecorp mud sucker solids handling diaphragm pump w/ internal check valves, 2b-ec series, 1 hp, 1 ph, 230v, to be located in the wastewater treatment building. Install (4) gate valves. These pumps will pump from pre-eq tank to sbr tank in the building.
Installation EQ basin control panel with VFD for pumps. Additionally, installation of a panel with timer for blowers and automated valve control panel.
Installation of piping associated with tank installation.
Installation of (2) Envir-o ET500 blowers in series with full enclosures on 6" thick concrete pad with 4" gravel base.
Installation of 1" sch-80 pvc from blowers and the provided aeration manifold to the pre-eq tank as shown.
Installation of valve chamber w/ (3) 1" butterfly control valves with actuators.

Sub-Total FFY 2023 GPR Projects	$7,557,000	$7,539,000
Total CWSRF FFY 2023 Project Funding	$310,382,582	$270,000,582

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

CWSRF Non Federal Administrative Account (NFAA) Current and Planned Uses- Attachment B

Prior Year Ending Fund Balance/ This Years Starting Balance	$	8,542,361.84

	FY21 Actual	FY22 Actual	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected
1. Revenue (includes Fed and Non-Fed Admin)						
Total Annual Revenues	$3,366,800	$3,299,986	$3,152,099	$3,215,141	$3,279,444	$3,345,033
2. EF Administrative Expenses and Uses (includes Fed and Non-Fed Admin)						
Total Administrative Expenses	$1,128,137	$1,250,847	$1,278,185	$1,394,675	$1,513,454	$1,634,569
Total Administrative Obligations Remaining	$374,601	$46,710	$200,000	$200,000	$200,000	$200,000
3. CWSRF State Match	$0		$0	$0	$0	$0
4. Grant Program Expenses & Additional DNREC Position Salaries/Benefits						
Total Program Expenses	$1,372,341	$1,536,545	$3,134,516	$3,079,309	$3,094,265	$3,108,870
Total Grant Program Obligations Remaining	$1,604,623	$1,145,165	$2,825,282	$1,350,000	$1,350,000	$1,350,000
5. Total NFAA Expenses	$2,500,478	$2,787,392	$4,412,701	$4,473,984	$4,607,719	$4,743,439
Total NFAA End of FY Obligations	$1,979,224	$1,191,875	$3,025,282	$1,550,000	$1,550,000	$1,550,000
6. Annual Fund Growth (Decrease)	$866,322	$512,594	($1,260,602)	($1,258,843)	($1,328,275)	($1,398,407)
7. Balances						
Cash Balance	$8,029,768	$8,542,362	$7,281,760	$6,022,917	$4,694,641	$3,296,235
Available Balance	$7,429,460	$7,350,487	$4,256,478	$4,472,917	$3,144,641	$1,746,235
8. Grant Program Annual Budgets						
Subtotal	$1,435,000	$1,803,216	$2,617,667	$2,525,000	$2,525,000	$2,525,000
Obligated	$1,979,224	$1,191,875	$3,025,282	$1,550,000	$1,550,000	$1,550,000

Attachment C: Sources and Uses of Funds for the CWSRF

SFY 2023 Beginning Fund Balance	**July 1, 2022**		**$97,746,220**
SFY 2023 Source of Funds			
Base Capitalization Grant (FFY22)		$5,681,000	
State Match - (20%)		1,136,200	
Supplemental Captilaization Grant (FFY22)		8,738,000	
State Match - (10%)		873,800	
Emerging Contaminents Captialization Grant (FFY22)		459,000	
Repayments*		19,919,888	
Investment Interest		0	
Sources Subtotal projected through	**June 30, 2023**		$36,807,888
SFY 2023 Use of Funds			
Construction Loan Disbursements*		$31,356,044	
Administration - (1/5th of 1% of net position)		667,665	
Reserved for Transfer of Funds back to DWSRF (as needed)		As Needed	
Total Uses Projected			($32,023,709)
SFY 2023 Ending Projected Fund Balance	**June 30, 2023**		**$102,530,399**
SFY 2024 Source of Funds			
Estimated Base Capitalization Grant (FFY23)		$5,681,000	
Estimated Base State Match - (20%)		1,136,200	
Supplemental Capitalization Grant (FFY23)		10,233,000	
State Match Supplemental		1,023,300	
Emerging Contaminents Capitialization Grant (FFY23)		1,043,000	
State Match Emerging Contaminents		0	
Estimated Repayments		20,519,555	
Investment Interest		0	
Projected Sources Subtotal	**July 1, 2023**		$39,636,055
SFY 2024 Use of Funds			
New Loans Closed - From IUP			
Section 212 Projects Closed		$ 262,461,582	
Section 319 Projects Closed		0	
Section 320 Projects Closed		0	
Land Conservation Loans Closed		0	
Green Projects Closed		7,539,000	
Proposed Administration - (1/5th of 1% of net position)		667,665	
Proposed Technical Assistance - (2% of Cap Grants)		339,140	
Reserved for Transfer of Funds back to DWSRF (as needed)		As Needed	
Total Loan Obligations Proposed		$ 271,007,387.00	
Estimated Disbursements on loans closed			$116,854,928
SFY 2024 Projected Fund Balance	**June 30, 2024**		**$25,311,526**

*includes projections through SFY end 6/30/2023

Delaware Water Pollution Control Revolving Fund

Attachment D: Binding Commitment and Disbursements by Project

Data Sources: Project Status Report, Cash Flow Report, and 2023 Draft PPL/IUP				Disbursements Ending 9/30/2024			
				10/1/2023 12/31/2023	1/1/2024 3/31/2024	4/1/2024 6/30/2024	7/1/2024 9/30/2024
Project	**Loan Amount**	**Binding Commitment Date**	**Est. Construction Completion Date**	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
Wastewater Projects							
City of Wilmington							
Prices Run Sewer Interceptor Rehabilitation	$12,000,000	Jan-23	Sep-25	$0	$3,600,000	$4,800,000	$3,000,000
Aeration Process Upgrades Phase I & II	$16,590,000	Jan-23	Mar-26	$0	$3,318,000	$4,977,000	$6,636,000
Digester Rehab Phase II	$5,406,000	Jan-23	Dec-25	$0	$0	$1,081,200	$2,162,400
Dewatering Process Rehab	$3,388,000	Jan-23	Nov-24	$0	$847,000	$847,000	$1,524,600
11th Street Pump Station Replacement	$14,500,000	Jan-23	Jul-25	$2,900,000	$2,900,000	$2,900,000	$2,900,000
S Wilmington Sewer Separation	$9,000,000	Pending	Dec-24	$0	$0	$2,250,000	$2,700,000
11th Street Pump Station Replacement	$5,000,000	Pending	Dec-25	$0	$1,500,000	$1,500,000	$1,500,000
Digester Improvements Flare	$4,000,000	Pending	Dec-25	$0	$800,000	$800,000	$800,000
WWTP Main Switchgear & Electrical Phase I	$5,500,000	Pending	Dec-27	$0	$1,100,000	$1,100,000	$1,100,000
City of Lewes Board of Public Works							
Cape Henlopen State Park Sewer Extension	$3,875,000	Pending	Sep-24	$0	$1,162,500	$1,162,500	$1,162,500
Sussex County Council							
Briarwood Estates	$4,200,150	Pending	Sep-24	$840,030	$840,030	$1,680,060	$840,030
Warwick Park Area Pumpstation & Forcemain	$1,225,000	Pending	Dec-24	$122,500	$122,500	$122,500	$122,500
North Ellendale Diversion	$4,239,236	Pending	Sep-24	$423,924	$423,924	$847,847	$2,543,542
Blackwater Village	$13,060,913	Pending	Sep-24	$2,612,183	$2,612,183	$5,224,365	$2,612,183
Kent County Levy Court							
Pipeline Condition Investigation (< 12in)	$3,100,000	Pending	Jul-26	$0	$0	$310,000	$310,000
Pipeline Condition Investigation (> 12in)	$2,300,000	Pending	Dec-23	$0	$0	$230,000	$230,000
Whispering Pines - Phase II	$722,856	Jul-22	Jun-24	$72,286	$216,857	$433,714	
US13 Forcemain Replacement Puncheon Run	$6,894,015	Jan-22	Dec-24	$689,402	$2,068,205	$2,068,205	$1,378,803
Town of Middletown							
NE Quadrant Sewer System Rehab	$2,568,553	Pending	Jun-24	$0	$513,711	$2,054,842	$0
NW Septic Elimination	$460,000	Pending	Jun-24	$46,000	$368,000	$46,000	$0
RIBs Van Croy Farm	$2,982,962	Pending	Dec-23	$0	$0	$298,296	$2,684,666
Pump Station & Forcemain to Water Farm #1	$13,828,000	Pending	Dec-24	$0	$1,382,800	$5,531,200	$5,531,200
Town of Delmar							
Delmar Sewer Replacement Phase III	$1,725,815	Pending	Dec-24	$0	$172,582	$345,163	$345,163
City of Seaford							
Waste Water Treatment Facility Upgrade & Expansion	$7,300,000	Pending	Nov-25	$730,000	$1,460,000	$1,460,000	$1,460,000
Martin Farms Sewer Relocation	$3,121,282	Pending	Dec-24	$0	$312,128	$624,256	$624,256
New Castle County							
Airport Rd Sanitary Sewer Revitalization	$7,750,000	Aug-22	Apr-24	$0	$0	$775,000	$3,100,000
Christina River Force Main Rehab - WIFIA	$33,150,000	Pending	Nov-26	$0	$0	$0	$0
Richardson Park Pump Station Phase II	$15,000,000	Pending	Dec-24	$0	$0	$4,500,000	$4,500,000
Southern Sanitary Sewer Area - Expanded Treatment	$26,767,000	Pending	Jun-25	$0	$0	$2,676,700	$5,353,400
West Wing Sanitary Sewer System	$20,000,000	Pending	Dec-25	$0	$0	$2,000,000	$4,000,000
Diamond State Sustainability Corp							
Grants Way Septic Elimination	$4,594,400	Pending	Mar-25	$0	$459,440	$918,880	$918,880
Sandy Ridge Collection System	$4,157,400	Pending	Dec-24	$415,740	$1,247,220	$2,078,700	$415,740
City of Newark							
Sanitary Sewer Study & Repairs	$2,200,000	Pending	Dec-24	$0	$220,000	$440,000	$440,000
Town of Camden							
Drainage Improvements & Sediment Control	$80,000	Pending	Dec-24	$0	$8,000	$16,000	$16,000
Southwood Acres LLC							
Pumpstation & Forcemain	$1,775,000	Pending	Dec-24	$0	$177,500	$177,500	$355,000
	$262,461,582						
Green Project Reserve Projects							
Special Solicitation							
Green Project Reserve	$3,000,000	One-time	One-time	$0	$0	$3,000,000	$0
Town of Millsboro							
Sussex Central School Water Irrigation	$3,600,000	Pending	Dec-25	$0	$0	$720,000	$720,000
Sussex Central School Water Irrigation Pumpstation	$750,000	Pending	Dec-23	$750,000	$0	$0	$0
Southern Delaware Communities Inc.							
Colonial Estates MHP Wastewater Treatment Facility	$189,000	Pending	Feb-24	$0	$189,000	$0	$0
Transfer of Funds back to DWSRF	As Needed	N/A		As Needed	As Needed	As Needed	As Needed
Administrative Expenses	$667,665			$667,665	$0	$0	$0
Totals	**$270,668,247**			**$10,269,729**	**$28,021,578**	**$59,996,929**	**$61,986,862**
Grant Award - Federal Share	**$5,681,000**			**$5,681,000**	**$0**	**$0**	**$0**
Grant Award - State Match	**$1,136,200**			**$1,136,200**	**$0**	**$0**	**$0**
BIL Supplemental Grant Award - Federal Share	**$10,233,000**			**$10,233,000**	**$0**	**$0**	**$0**
BIL Supplemental Grant Award - State Match	**$1,023,300**			**$1,023,300**	**$0**	**$0**	**$0**
BIL Emerging Contaminants Grant Award - Federal Share	**$1,043,000**			**$1,043,000**	**$0**	**$0**	**$0**
BIL Emerging Contaminants Grant Award - State Match	**$0**			**$0**	**$0**	**$0**	**$0**
CWSRF Corpus - Repayment Funds	**$251,551,747**			**($8,846,771)**	**$28,021,578**	**$59,996,929**	**$61,986,862**
Base Federal %	**83.33%**			**83.33%**			
Base State Match %	**16.67%**			**16.67%**			

Note 1: All values in blue are calculated.

Attachment E: FFY2023 ASAP Payment Schedule (Federal Dollars)

Calendar Year / Federal QTR	Payment Date	ASAP Payment Schedule	ASAP Cumulative Amount
23/1	1st Quarter	**$16,957,000**	**$16,957,000**
23/2	2nd Quarter	**$0**	**$16,957,000**
24/3	3rd Quarter	**$0**	**$16,957,000**
24/4	4th Quarter	**$0**	**$16,957,000**

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

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 Unites 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	0-10 points	
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:

TMDL Status	Score
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:

Investment Level (212 projects only)	Points
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.