



**State of Delaware**

**Water Pollution Control Revolving Fund**

**2019 Intended Use Plan**

*Prepared by the*

**Department of Natural Resources and Environmental Control**

**Office of the Secretary**

**Environmental Finance**

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# Delaware Water Pollution Control Revolving Fund

## Fiscal Year 2019 Intended Use Plan

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### 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 SFYs 2019-2020 Federal Capitalization Grant (FFY 2019 Grant) Application. Two IUPs are prepared annually to ensure that all potential loan applicants have an opportunity to submit project needs for funding consideration. This is the first IUP, which will be submitted to EPA in April 2019.

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 (WPCRF). The mission of the WPCRF 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 WPCRF 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. The terms "WPCRF" and Clean Water State Revolving Fund "CWSRF" are used interchangeably in this document and have the same meaning.

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 WPCRF. It identifies how the additional financial assistance was used to support the goals of the WPCRF; and the amount of the transfer.

All eligible applicants submitting Project Notices-of-Intent (NOIs) are listed on the 2019 Project Priority List (2019 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. WPCRF 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 WPCRF. The following are the WPCRF 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 2019 Grant award.

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

To expand the loan portfolio of the WPCRF 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
- On-line CWSRF and DWSRF document submittal capability
- 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 with 30 days
- Processing Loan Reimbursement Requests within 30 days or less

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

To comply with all federal capitalization grant and project reporting requirements. Including updating all WPCRF documents that reference 40 CRF Parts 30 & 31 with the Federal Single Audit Act, 2 CFR 200, for the following administrative program requirements:

- A-133 with 2 CFR 200 Subpart F (Audit Requirements)
- A-87 with 2 CFR 300 Subpart E (Cost Principles)

#### Long-Term Goals

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

To optimize the WPCRF 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 Water Resources Reform and Development Act (WRRDA) – Expanded Project Eligibilities.

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

### III. Fund Sources, Uses, and Program Requirement

DNREC will apply for the full amount of the FFY 2019 Federal Capitalization Grant of \$7,779,000 for which a twenty percent (20%) state match \$1,555,800 is required. The required (20%) state match will be provided from state appropriations. EPA previously awarded DNREC a FFY 2012 Federal Capitalization Grant that included DWSRF transferred funds totaling \$27,050,176 for which a twenty percent state match appropriation totaling \$5,410,035 was provided by DHSS.

Water Resources Reform and Development Act (WRRDA) amendment changes to the CWSRF program allow 1/5 of 1% of the WPCRF's Net Fund Position to be used for federal program administration; a total of \$597,007 is authorized and will be used in SFY 2018 and \$597,007 is projected for SFY 2019 use. The projected ten percent (10%) \$777,900 of the FFY 2019 Grant will be used for principal loan forgiveness for an eligible borrower; and (10%) \$777,900 will be used for projects funded under a Green Project Reserve (GPR) - green infrastructure, water or energy efficiency, and innovative uses. Up to thirty percent (30%) \$2,333,700 of the FFY 2019 Grant may be used for additional subsidization under WRRDA based on project affordability.

**Table 1 – Fund Sources, Uses, and Program Requirement**

<u>Sources:</u>	<u>FFY 2019</u>	<u>FFY 2012</u>
Federal Capitalization Grant	\$ 7,777,900	\$27,050,176
State Match – 20%	<u>\$ 1,555,800</u>	<u>\$ 5,410,035</u>
Total Sources	\$ 9,333,700	\$32,460,211
 <u>Uses:</u>		
WPCRF Administration (4%)		\$ 1,082,007
WPCRF Administration (1/5 of 1%)	\$ 597,007	
Program Loans	\$ 9,333,700	\$31,378,204
 <u>Requirement:</u>		
10% Principal Loan Forgiveness (min.)	\$ 777,900	
10% Green Project Reserve	\$ 777,900	
 <u>Optional:</u>		
30% Additional Subsidization (max.)	\$ 3,111,600	

#### Cross Collateralization between SRF programs

\$27,050,176 in Federal and \$5,410,035 in State funds transferred from the DWSRF program to the CWSRF program 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.

On May 9, 2013, the City of Wilmington’s CWSRF loan for its Renewable Energy Biosolids Facility (REBF) project was closed. The loan was used for the long-term financing of the REBF project; the City obtained another source of financing for project construction. FFY 2012 Transferred Grant Funds were to be used in part to fund the loan to the City.

#### IV. Project Selection Funding Process

On December 12, 2018, 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 2019 PPL process by January 11, 2019. Five (5) new NOIs were received totaling \$15,060,000 from the first solicitation.

The selection process for funding projects in part with FFY 2019 Grant funds is based on their respective 2019 PPL ranking, and readiness to proceed. The following projects with a total cost of \$117,101,116 may receive CWSRF funding: twenty-three (23) Wastewater/Stormwater Projects are projected to utilize \$71,257,723 from the CWSRF; and three (3) Green Project Reserve (GPR) projects are projected to utilize \$18,307,399. Prior year projects remain on the funding list until the associated loans are closed or withdrawn by applicants.

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

<b>Applicant / Project Name</b>	<b>Total Cost</b>	<b>CWSRF Funds</b>
<u>Sussex County Council</u>		
• Land Conservation and Water Quality	\$ 9,500,000	\$ 5,745,000
• Joy Beach	\$ 6,500,000	\$ 5,691,821
• Mulberry Knoll	\$ 4,800,000	\$ 3,135,379
• Wolfe Runne	\$ 4,275,000	\$ 4,100,000
• Oak Acres	\$ 2,580,000	\$ 2,580,000
• Mallard Creek	\$ 2,280,000	\$ 2,280,000
• Branch, Autumn, and Tucks Road	\$ 3,600,000	\$ 3,600,000
<u>Kent County Levy Court</u>		
• Air System (Blower) Optimization Project	\$ 4,513,700	\$ 1,354,110
• US Route 13 Forcemain Rehabilitation	\$ 6,004,800	\$ 2,423,100
<u>City of Newark</u>		
• Sanitary Sewer System Study & Rehabilitation	\$ 3,900,000	\$ 3,900,000
<u>City of Wilmington</u>		
• Shallcross Avenue Sewer Separation	\$ 1,404,960	\$ 1,206,460

<b>Applicant / Project Name</b>	<b>Total Cost</b>	<b>CWSRF Funds</b>
<u>Town of Smyrna</u>		
• East Commerce Street Utility Replacement	\$ 1,723,381	\$ 1,712,078
• South Main Street Utility Replacement	\$ 1,705,275	\$ 1,705,275
<u>Fort DuPont Redevelopment Corporation</u>		
• Floodproofing Improvements (Dike)	\$ 2,180,000	\$ 2,180,000
<u>City of Lewes Board of Public Works</u>		
• Donovan Smith Mobile	\$ 950,000	\$ 925,000
• The Orchard Sewer Extension	\$ 1,357,000	\$ 1,336,000
• Savannah Road Sewer Extension	\$ 2,025,000	\$ 2,025,000
• Donovans Road Sewer Extension	\$ 575,000	\$ 550,000
<u>City of New Castle</u>		
• Delaware Street Green Street Renovation	\$ 367,500	\$ 367,500
<u>Mill 6 Redevelopment, LLC</u>		
• Mill 6	\$ 6,411,000	\$ 4,160,000
• Mills Edge	\$ 4,072,000	\$ 3,572,000
<u>Quarry Walk, LLC</u>		
• Quarry Walk	\$ 5,909,000	\$ 4,909,000
<u>Tidewater Environmental Services, Inc.</u>		
• Milton WWTP Replacement	<u>\$ 11,800,000</u>	<u>\$ 11,800,000</u>
	<b>Total Cost</b>	<b>CWSRF Funds</b>
<b>Sub-Total Wastewater and Stormwater Projects</b>	<b><u>\$ 88,433,616</u></b>	<b><u>\$ 71,257,723</u></b>
Loans for three (3) GPR projects are anticipated to close during the year:		
<u>City of Wilmington</u>		
• Wilmington Wetlands Park	\$ 25,347,500	\$ 15,107,399
<u>City of Wilmington</u>		
• 15th and Walnut CSO Separation, Green Infrastructure & Bicycle Track	<u>\$ 820,000</u>	<u>\$ 700,000</u>
<u>DNREC, Watershed Stewardship</u>		
• Watershed Improvement Projects	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
<b>Total Municipal Wastewater &amp; GPR Funding</b>	<b><u>\$117,101,116</u></b>	<b><u>\$89,565,122</u></b>

*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.*

## V. Interest Rates and Loan Terms

The Delaware Water Pollution Control Revolving Fund (WPCRF) current interest rate policy went into effective on January 1, 2018. Project affordability criteria and interest rates apply to new public, private/public use, investor-owned, and private/private use WPCRF and DWSRF loan applications.

The Market Interest Rate Benchmark for the 30 Year Tax-Exempt Municipal Bond Benchmark (BVMB30Y) will be used to establish the interest rate for public and private/public use loans. Project loan rates shall be set 5 business days prior to when loan proposals are recommended for funding at 85.0 percent of the BVMB30Y. Projects financed for a term of 20 years or less may be set at 95.0 percent of the 10 year interest rate market benchmarks.

The Market Interest Rate Benchmark for the 30 Year Taxable Treasuries (GT30) will be used to establish the interest rate on investor-owned utility and private/private use loans. Project loan rates shall be set 5 business days prior to when loan proposals are recommended for funding at 85.0 percent of the GT30. Projects financed for a term of 20 years or less may be set at 95.0 percent of the 10 year interest rate market benchmarks.

Borrowers can receive a lower interest rate and/or other project subsidies based on project affordability. Sewer user charge affordability review criteria are based on one and a half percent (1.5%) of the Median Household Income (MHI) for residential wastewater or drinking water service; and 2.0% of MHI for combined services.

However, the WPCRF Expanded Use Program loans (residential septic system replacements, and poultry and dairy best management practices) will have a fixed interest rate of 3.0 percent, and interest rates for the CWSRF Land Conservation and Water Quality Improvement Loan Sponsorship Programs will not be set lower than 2.0 percent.

## VI. Affordability Criteria

The Clean Water State Revolving Fund (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. The criteria are based on factors for median household income (MHI), unemployment rate, population trends of the borrower (or the project area if the project is located in a different jurisdiction). Affordability criteria measures are the following:

Income Data – 1.5% of Median Household Income (MHI) will be considered affordable for wastewater and drinking water residential user rates; 2.0% of MHI will be considered affordable for combined wastewater and drinking water residential user rates. 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% water or wastewater, 2.0% 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 be required to 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. Residential utility bill delinquency rates are used as a proxy measure for unemployment. 5% residential utility delinquency rate will be assumed for both wastewater and drinking water when evaluating CWSRF loan applications for assistance. CWSRF loan applicants will be required to provide additional documentation to support a residential delinquency rate above 5%.

Population Trends – Wastewater utilities can be negatively impacted by decreasing population in relation to fixed assets and expenses that were designed/sized to service a larger customer base. The estimated number of Equivalent Dwelling Units (EDUs; 1 household = 1 EDU) served by a wastewater utility is used as a proxy measure for population trends. CWSRF loan applicants negatively impacted by decreasing number of EDUs served in relation to their proposed project(s) will be required to provide documentation to receive a systems revenue credit that cannot exceed the difference in the number of EDUs served over the past 5 years.

With the independent study by the National Academy of Public Administration (*Developing a New Framework for Community Affordability of Clean Water Services, October 2017*), solutions to further address affordability are under consideration and may result in improvements to these measures in the 2019 IUP.

## **VII. Authority to Provide Additional Subsidization**

DNREC has the authority to implement the WPCRF 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 February 2019, DNREC has achieved grant compliance for the required 10% (minimum) loan forgiveness by allocating over \$6.7 million to eligible projects ensuring wastewater projects were made more affordable for residents. Approximately \$7.5 million in additional loan subsidies is projected as the need for making projects in the IUP (Table 2) and PPL (Attachment A) more affordable for eligible communities.

Delaware aims to offer up to \$5.0 million in subsidies for Expanded Use, Green and Water Quality projects between this solicitation and future 2019-2020 solicitations and PPL(s). This funding would support a CWSRF demonstration program for the implementation of projects specifically designed to improve water quality as part of Delaware priority watershed improvement plans. After the initial funding has been allocated to projects, the initiative will be evaluated.

## **VIII. Expanded Use Programs (CWA 319)**

### Septic Rehabilitation Loan Program

Environmental Finance and the Groundwater Discharge Section jointly manage the Septic Rehabilitation Loan Program (SRLP) within DNREC. The SRLP provides financial assistance for low to moderate income homeowners to replace failing septic systems. Mobile home park owners are also eligible to receive assistance to replace failing decentralized community wastewater systems, limited to \$250,000 or less. Based on

historical trends, the budget for funding the SRLP is \$500,000.

#### Agricultural Non-Point Source Loan Program

DNREC and State Conservation Districts have established a loan program to provide financial assistance to poultry and dairy producers to help manage Non-Point Source Pollution. Agricultural Non-Point Source Loan (AgNPSLP) funds are leveraged with Federal and State Cost Share assistance from Conservation Districts, to provide low interest loans to producers for manure storage/management and dead bird composters. AgNPSLP loans are made available for up to ninety percent (90%) of a producer's share of the cost for manure storage structures, dead bird composting structures, and structures to effectively utilize and manage manure from dairy cattle. Based on historical trends, the budget for funding the AgNPSLP is \$500,000.

#### Expanded Uses Non-Point Source Loan Program

The purpose of the Expanded Uses NPS Loan Program (EUNPSLP) is to provide financial assistance to private landowners, homeowners associations, corporations, municipalities, state government, non-profit organizations, and Estuary Programs to implement NPS initiatives identified in Delaware's NPS Management Plan. Loans for eligible practices may range from \$1,000 up to \$250,000 and will be independently subject to approval (beyond the PPL process) based on the availability of funds.

Projects eligible under the EUNPSLP program are the following:

- Sediment and stormwater management practices that are not being installed as a required component for compliance with the State Sediment and Stormwater Program.
- Eligible best management practices (BMPs) include retrofits to stormwater management ponds, stormwater management facilities, inlet devices, pollutant removal devices, catch basin retrofits, and equipment such as street sweepers and catch basin vacuum vehicles.
- Nutrient management BMPs and equipment such as composting equipment, transport equipment, storage structures, and manure spreaders.
- Waterbody restoration BMPs such as streambank stabilization, wetland restoration/creation, and restoration of riparian vegetation.
- Implementation of Estuary Conservation and Management Plans excluding education and outreach (project must be consistent with EPA approved estuary plan).

Based on estimated demand for the program, the annual budget for the EUNPSLP is \$500,000.

#### Leaking Storage Tank Remediation Loan Program (LSTRLP)

DNREC's Underground Storage Tank Branch (USTB) administers the Leaking Storage Tank Remediation Loan Program, through an operating agreement with the Environmental Finance. The LSTRLP provides loans to assist with the removal, retrofit, cleanup of contaminated sites, and corrosion protection for leaking underground storage tanks in Delaware's priority watersheds. Most loans are made to commercial businesses (petroleum service stations) that have a documented contaminated site within a priority watershed as a result of normal aging and/or corrosion of an underground storage tank. Any site found to

be contaminated must comply with reporting requirements established by Delaware's Regulation Governing Underground Storage Tank Systems. Based on historical trends, the budget for funding the LSTRLP is \$240,000.

## **IX. Loans for Private Businesses, Private Land Owners, Privately-Owned Projects**

Private businesses, private land owners, 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.

## **X. Project Eligibilities**

At least ten percent of an annual federal capitalization grants should be allocated towards projects that qualify as Green Project Reserve. The state can designate up to 100% of the grant to Green Projects. The intended use of the reserve is to help facilitate the implementation of projects that conserve or reuse water; conserve or reduce energy use; improved water quality with green infrastructure, and/or promote environmentally innovative activities and sustainability. The following is an overview of CWSRF project eligibility categories that includes Water Efficiency; Energy Efficiency; Green Infrastructure; and Environmentally Innovative/Sustainability Projects. The Land Conservation Loan Sponsorship and Water Quality Improvement Loan Sponsorship Programs are designed to help facilitate project financing.

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 Clean Water Act (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:

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

### Water Efficiency

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

1. Installation of water meters;
2. Retrofit or replacement of water using fixtures, fittings, equipment or appliances;
3. Efficient landscape or agricultural irrigation equipment;
4. Systems to recycle gray water;
5. Reclamation, recycling, and reuse of existing rainwater, condensate, degraded

- water, stormwater, and/or wastewater streams;
- 6. Collection system leak detection equipment; and
- 7. 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:

1. Energy efficient retrofits and upgrades to pumps and treatment processes;
2. Leak detection equipment for treatment works;
3. Producing clean power for 212 treatment works on site (wind, solar, hydroelectric, geothermal, biogas powered combined heat and power); and
4. 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:

1. Implementation of comprehensive street tree or urban forestry programs, including expansion of tree box sizes to manage additional stormwater and enhance tree health;
2. Implementation of green streets (combinations of green infrastructure practices in transportation rights-of-ways), for either new development, redevelopment or retrofits;
3. Implementation of water harvesting and reuse programs or projects, where consistent with state and local laws and policies;
4. 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;
5. Establishment and restoration of riparian buffers, floodplains, wetlands and other natural features; Downspout disconnection to remove stormwater from combined sewers and storm sewers; and
6. Comprehensive retrofit programs designed to keep wet weather out of all types of sewer systems using green infrastructure technologies and approaches.

## Environmentally Innovative / Sustainability Projects

Environmentally innovative may include projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal at the least life-cycle costs, subject to environmental review results. Projects may include approaches that incorporate green infrastructure into drinking water, stormwater, and wastewater utility infrastructure and management.

Examples of environmentally innovative projects include:

1. Green Infrastructure/Low Impact development stormwater projects;
2. Wetland restoration;
3. Decentralized wastewater treatment solutions to existing deficient or failing on site systems;
4. Water reuse projects that reduce energy consumption, recharge aquifers and reduce water withdrawals and treatment costs; The water quality portion of projects that employ development and redevelopment practices that preserve or restore site hydrologic processes through sustainable landscaping and site design;
5. Projects that use water balance approaches (water budgets) at the project, local or state level that preserve site, local or regional hydrology. Such an effort could show-case efforts to plan and manage in a concerted manner, surface and groundwater withdrawals, stream flow (aquatic species protection), wetland and floodplain storage, groundwater recharge and regional or local reuse and harvesting strategies using a quantified methodology;
6. The water quality portion of projects that demonstrate the energy savings and climate change implications of sustainable site design practices and the use of green stormwater infrastructure;
7. Projects that demonstrate the differential uses of water based on the level of treatment and potential uses as a means to reducing the costs of treating all water to potable water standards; and
8. Projects that identify and quantify the benefits of using integrated water resources management approaches.

## Land Conservation Loan Sponsorship Program

Delaware has developed an innovative approach to help maintain and improve water quality. Forestlands, Open Space, and Wetlands conservation easements and fee simple land parcels can be purchased using traditional CWSRF municipal wastewater loans under the Land Conservation Loan Sponsorship Program (LCLP). Communities in targeted watersheds such as the Chesapeake, Inland Bays, and Delaware Bay that have municipal wastewater projects selected for funding may be offered the opportunity to borrow additional funds for land conservation easements and land purchases. Up to \$5 million per year (subject to the availability) may be used to fund the purchase of perpetual conservation land easements and fee simple land purchases that can help to maintain or improve water quality with environmental structural enhancements and/or use restrictions.

Select communities will be encouraged to enter into partnership agreements with the

Delaware Department of Agriculture's Forestland Conservation Program (DDA), and DNREC (Divisions of Parks and Recreation, and/or Fish and Wildlife). After a partnership agreement has been established, communities will be able to borrow funds for land conservation projects in addition to their wastewater project loans. The CWSRF interest rate for wastewater loans will be reduced to ensure that communities will not pay any additional loan debt service for both loans combined; annually, or over the life of the loans.

Memorandums of Agreement have been signed between DNREC and DDA, and Environmental Finance and the Division of Parks and Recreation, and the Division of Fish and Wildlife for the implementation of the LCLP.

Borrowers can select to waive their eligibility to use the additional borrowing capacity under the LCLP and still receive a lower interest rate for their wastewater loan; however, the original wastewater loan cannot be prepaid. At DNREC discretion, the additional borrowing capacity may be offered to other potential borrowers at a zero percent (0%) interest rate, however, the loan term cannot exceed the loan term for the original wastewater loan. The original wastewater loan must be closed first before the LCLP loan can be closed.

#### Water Quality Improvement Loan Sponsorship Program

Similar to the LCLP, the Water Quality Improvement Loan Sponsorship Program (WQILP) is designed to fund water quality improvements with CWSRF wastewater loans. Proposed projects will improve water quality using Green Infrastructure and/or Environmentally Innovative approaches. Environmental Finance and the Division of Watershed Stewardship will implement the program.

- Wastewater and proposed WQILP projects must be on the CWSRF Project Priority List (PPL)
- Loan debt service payments for both wastewater and WQILP projects will be equal to the wastewater project by itself for the term of the loan
- WQILP project must have demonstrated water quality improvement benefits and be managed for the life of the improvement
- WQILP project applicants must enter into a Water Quality Improvement Agreement with the DNREC's Division of Watershed Stewardship. Some projects will require a Conservation Easement with DNREC's, Division of Parks and Recreation, or Division of Fish and Wildlife
- DNREC's Division of Parks and Recreation and Division of Fish and Wildlife are authorized to acquire open space and conservation easements under the Delaware Land Protection Act, pursuant to 7 Del C. Ch. 75, §7503

Water Quality Improvement Loan Program – How Does It Work?

#### Environmental Finance

Project Solicitation and Review:

- Notice-of-Intent solicitation from municipalities including WQILP project interest

- CWSRF Project Priority List (PPL) and Intended Use Plan (IUP) developed
- Municipal and WQILP project loan applications solicited from approved PPL

#### Financial Review and Interest Rate Determination:

- Environmental and Financial Reviews of loan applications conducted
- Evaluation of Interest Rate for proposed Wastewater and WQILP loans are conducted to ensure annual combine loan debt service will be equal to the municipal wastewater project separately
- Coordinates Internal Processing and Approvals, Loan Closings with Applicants, the Division of Watershed Stewardship, and Other Partners as Necessary

#### Division of Watershed Stewardship

##### WQILP Marketing and Project Loan Application Review

- Assist with Marketing of WQILP to Potential Applicants
- Review WQILP Project Loan Applications relative to Program Criteria, and Ranking of Water Improvement Potential
- Work with Loan Applicants to develop WQILP Project Contractual Agreements

#### WQILP Criteria

There must be demonstrated water quality benefits associated with proposed projects. Proposed projects must exhibit at least one or more of the following:

- Project must incorporate green infrastructure and/or be environmentally innovative;

Examples of eligible projects include:

- Implementation of green streets (combination of infrastructure practices in transportation rights-of-way) for new development, redevelopment, or retrofits;
- Implementation of wet weather management systems for parking areas which include: the incremental cost of porous pavement, bioretention, trees, green roofs and other practices that mimic natural hydrology and reduce effective imperviousness at one or more scales;
- Equipment to maintain green streets, vector trucks and other equipment (Will be contingent upon contractual arrangement with Environmental Finance and the Division of Watershed Stewardship);
- Implementation of water harvesting and reuse programs or projects, including reuses that reduce energy consumption, recharge aquifers and reduce water withdrawals and treatment costs;
- Downspout disconnection to remove stormwater from combined sewers and storm sewers;
- Comprehensive retrofit programs designed to keep wet weather out of all types of sewer systems using green infrastructure technologies and approaches;
- Implementation of comprehensive street tree or urban forestry programs,

- including expansion of tree box sizes to manage additional stormwater and enhance tree health;
- Establishment and restoration of riparian buffers, floodplains, wetlands, living shorelines, and other natural features (will require a conservation easement on the project area);
- Purchase or easement of conservation areas (existing wetlands or forested areas, or agricultural lands, or previously developed areas to be restored to natural habitat, or improved with green infrastructure);
- Decentralized wastewater treatment solutions to existing deficient or failing on site systems;
- The water quality portion of projects that employ development and redevelopment practices that preserve or restore site hydrologic processes through sustainable landscaping and site design;
- Projects that use water balance approaches (water budgets) at the project, local or state level that preserve site, local or regional hydrology;
- Projects that retrofit or replace irrigation systems with more efficient systems and/or those that include water reuse or harvesting; and
- The water quality portion of a LEED certified building.

Examples of ineligible projects include:

- Stormwater conveyance systems that are not soil/vegetation based;
- Stormwater pipes and concrete channels;
- Hardening, channelizing or straightening streams and/or stream banks;
- In-line or end-of-pipe treatment systems that only filter or detain stormwater;
- Stormwater ponds with extended detention and /or filtration;
- Stormwater controls with impervious or semi-impervious liners with no evapotranspiration or harvesting functions;
- Underwater stormwater control (swirl concentrators, hydrodynamic separators, baffle system for grit, trash/floatables removal, oil and grease, dams for in-line underground storage and flow diversion); and
- Street sweepers, sewer cleaners and vactor trucks (unless they support green infrastructure projects).

Borrowers can select to waive their eligibility to use the additional borrowing capacity under the WQILP and still receive a lower interest rate for their wastewater loan; however, the original wastewater loan cannot be prepaid. At DNREC discretion, the additional borrowing capacity may be offered to other potential borrowers at a zero percent (0%) interest rate, however, the loan term cannot exceed the loan term for the original wastewater loan. The original wastewater loan must be closed first before the WQILP loan can be closed.

## **XI. Minority Business Enterprises/Women's Business Enterprises**

The WPCRF will use the EPA approved Minority Business Enterprises and Women-owned Business Enterprises (referred to as Disadvantage Business Enterprise). These goals were approved as of September 15, 2015, and are in place until new goals are established by DNREC and approved by EPA.

**Table 3 - M/W/DBE utilization objectives for the FFY 2019 Grant (unless revised**



**objectives are subsequently promulgated)**

	<u>MBE</u>	<u>WBE</u>
Construction	4.41%	4.04%
Good/Equipment Combined	2.29%	5.47%
Services	0.62%	0.92%
Supplies	2.03%	2.18%

Note: DNREC is currently negotiating new ‘fair share’ procurement goals for FFY2019 Minority Business Enterprise (MBE) and Women-Owned Business Enterprise (WEB) utilization objectives as required for U.S. Environmental Protection Agency (EPA) financial assistance programs.

The M/W/DBE program requires borrowers to provide adequate opportunity for M/W/DBE participation in contracts. Borrowers/contractors must show a good faith effort, consistent with the six affirmative steps outlined in 2 CFR Part 200.321, even if the objectives cannot be met in obtaining M/W/DBE participation.

Environmental Finance provides borrowers with a statement for inclusion in procurement/bid documents, which outlines the M/W/DBE objective and the affirmative steps necessary to show a good faith effort. Failure to meet the M/W/DBE objective does not preclude the use of the WPCRF, as long as the good faith effort can be demonstrated. Environmental Finance may modify its program implementation policies to comply with the above fair share objective after discussion with EPA. While compliance with M/W/DBE is mandatory in the CWSRF program for equivalency projects, it is not for non-equivalency projects or sub-projects. In order to comply with the M/W/DBE requirements, the State will limit identification of equivalency projects to an amount equal to the federal SRF capitalization grants – rather than apply the M/W/DBE requirements to all projects. The State will limit equivalency funds to a small number of large SRF projects, funding only the construction phase(s) of those projects.

Equivalency Project:

The proposed Western Sussex Sewer District (\$13.1 million) will be used as the equivalency project.

**XII. WPCRF 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.

**XIII. Public Review and Comment**

The Agenda was posted to the Public Meeting Calendar on February 27, 2019. A Press Release was issued on February 27, 2019. Newspaper notices were posted in the Delaware News Journal and Delaware State News on March 3 and March 10, 2019, to receive public comment on the 2019 PPL and Intended Use Plan (IUP). The Water Infrastructure Advisory Council (WIAC) met on March 13, 2019, to review, approve, and recommend the Draft 2019 PPL and IUP.

Council members expressed concern that by using current percentages of MHI some projects would not be affordable for underserved communities resulting in those projects not being completed. Vice-Chair Medlarz further expressed that following only the subsidization guidelines provided by EPA, the State may fail to provide service to underserved communities.

As referenced in Section VI, CWSRF loan applicants whose MHI is not representative of the census data may provide documentation in order to obtain principal forgiveness or additional subsidization. In these instances, documentation will be required in the form of a representative income survey of the majority of the residents of the project area.

In support of low-income and underserved communities with failing or inadequate wastewater services, Delaware's General Assembly and Governor provided no less than \$1.6 million in State Fiscal Year 2019 for low-interest loans and/or grants to begin addressing this need. Further for the State Fiscal 2020, the Governor has recommended up to \$3.6 million to continue this support.

The WIAC approved the Draft 2019 PPL and IUP as presented on March 13, 2019, subject to no adverse public comments.

No adverse public comments were received on the 2019 PPL and IUP by the close of the public record on April 12, 2019.

#### **XIV. Assurances**

##### Required Reporting

Delaware will enter all projects funded into the CWSRF Benefits Reporting 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 WPCRF.

##### 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.

##### 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 to communities from the CWSRF Non-Federal Administrative Account. The following is an overview of the various incentive grants to facilitate CWSRF loan demand. To help Delaware expend all CWSRF funds in an expeditious and timely manner consistent with the rules and regulations governing the program, an open solicitation NOI process is also being considered.

- 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 – \$100k per project is available for the development of required PERs and EIDs necessary to apply for a CWSRF loan; \$50k is forgiven and \$50k is applied to the CWSRF loan when closed. If a CWSRF does not close, the entire \$100k is forgiven.
- Asset Management Plan Development Incentives – \$100k grant is available to assist with the development of an asset management plan. After the plan has been completed ½ of the interest charged on a new CWSRF loan is eligible for a rebate annually for up to 5 years.
- Additional Subsidization for Low-Income Subgroups – \$200k over a period of 5 years is available to assist low-income residents with paying sewer bills up to \$200 per household (based on closed CWSRF loans) and can be combined with other available subsidies.
- 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.

#### Loan Defaults

Delaware will make every effort to assure that loan recipients repay their loans. In the event of any defaults, DNREC will review the borrower's user charges and budget and make recommendations for assuring continued loan repayment. DNREC will continue its loan default program agreement with the Delaware Division of Revenue.

#### 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 WPCRF's short-term goals is to maintain a cumulative program pace that exceeds 95 percent for signed binding loan commitments.

### **XV. CWSRF and DWSRF Federal Fund Transferability**

Delaware reserves the right to transfer Capitalization Grant and loan repayment monies between the State's WPCRF and Safe Drinking Water Revolving Loan Fund programs as necessary to ensure the full utilization of the federal assistance.

### **XVI. 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 2019 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.

## **XVII. Non – Federal Administration Account**

Delaware has established a Non-Federal Administration Account (NFAA) funded by 1/2 of the interest collected as the administrative fee charged on WPCRF 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 WPCRF. Funds in the NFAA are not considered WPCRF 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 salary for a contractual position within the Division of Water Holding Tank Enforcement program. 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 projected for the Clean Water Non-Fed Admin Fund (CWSRF NFAA) in SFY2019 is \$2,332,539 with \$597,007 CWSRF Federal Admin revenue and \$325,032 for DWSRF NFAA cost share of Environmental Finance (EF) activities. Total CWSRF NFAA Expenses are estimated to be \$420,918 for EF activities; CWSRF Fed Admin expenses \$597,007; DWSRF NFAA related-expenses \$325,032; Water/Watershed technical program expenses \$579,000; and wastewater/surface-water grant obligations of \$1,900,000. After adjusting for prior year obligations, the estimated Ending Available Fund Balance for SFY2019 is projected to be \$2,493,065. Below is a list of the 2019 current/planned uses.

- CWSRF Program Administrative Expenses
- Contractual Groundwater Position
- Contractual Stormwater Position
- 6 Division of Water Positions
- SEFO Program (Due-On-Transfer Septic Extended Funding Option Program)
- Community Water Quality Improvement Grants
- Wastewater Matching Planning Grants
- Stormwater Matching Planning Grants
- Wastewater Asset Management Incentive Program Grants
- Wastewater Planning Advance Grants
- Additional Subsidization Program for Qualified Rate Payers
- Wastewater Needs Assessment
- Stormwater Needs Assessment

The NFAA is reviewed semi-annually to ensure its sustainability before additional uses are considered. The WPCRF's Annual Report includes a description of the NFAA, fees charged, actual use, and the remaining balance in the account.

**XVIII. APPENDIX**

2019 CWSRF Wastewater and GPR Projects–Funding List  
Non–Federal Administration Account, Current and Planned Uses  
Source and Use of Funds - 2019 WPCRF Intended Use Plan  
Cumulative Binding Commitments and Disbursements  
FFY 2019 ACH Payment Schedule

Attachment A  
Attachment B  
Attachment C  
Attachment D  
Attachment E

**Attachment A - FY 2019 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List**

FY 2019 CWSRF Wastewater and Stormwater Projects											
PPL Year	Rank Order	PPL Score	Applicant	Project Name	Population Served	Waterbody / NPDES Permit	Total Project Cost	GPR Category	GPR Eligibility	CWRF Financing	CWA Project Type
2016	15	50.0	City of Wilmington	Shallcross Avenue Sewer Separation	72,000	Piedmont - Brandywine Creek NPDES DE0020320	\$1,404,960	N/A	N/A	\$1,206,460	212
<p><b>Description of Project and Problem:</b> The Kentmere and Union Partial Sewer Separation and BMP project is proposed to address solutions to current combined sewer overflows (CSO) within the EPA guidelines. The primary purpose of the Kentmere &amp; Union CSO Mitigation Project is to minimize the overflows at a combined sewer overflow (CSO) structure located near the intersection of Union Street and Kentmere Parkway at Shallcross Avenue.</p>											
2016	22	50.0	Kent County Levy Court	Air System (Blower) Optimization Project	130,000	Delaware Bay & Estuary - Murderkill Riv NPDES DE 0020338	\$4,513,700	N/A	N/A	\$1,354,110	212
<p><b>Description of Project and Problem:</b> Feasibility Study/Preliminary Design Phase: The County commissioned Hazen and Sawyer, P.C. to prepare a Preliminary Engineering Report (PER) to the study of the existing blower system and to identify potential upgrades that could result in significant energy savings. The scope of work for implementing the aeration system optimizations included: (1) a detailed study of the existing system and (2) identification of potential upgrade options. Operational data was reviewed to develop annual and seasonal aeration needs for both the current and future flows at the facility. Blower technologies were reviewed and compared to identify advantages and disadvantages of each. Control system options and electrical system options were also evaluated. Alternatives were developed for aeration system optimization. The results of this study by Hazen and Sawyer, P.C. indicate that a significant energy savings (20-25%) can be realized by replacing two of the existing multistage blowers with similarly sized turbo blowers. The project improvements require replacement of two existing blowers with two turbo blowers, piping modifications, electrical/control improvements, and minor improvements to the existing blower building. Design documents (up to 80% completion level) were then developed. The planning and design for this project was implemented using a DNREC Wastewater Matching Planning Grant to reach 80% design level as initial funding. Once appropriate funding sources are secured, the project may proceed through design completion and construction.</p>											
2017	14	55.0	Fort DuPont Redevelopment and Preservation Corporation	Fort DuPont Floodproofing Improvements	1,500	DE Bay & Estuary - C & D Canal East Not applicable (N/A)	\$2,180,000	N/A	N/A	\$2,180,000	319
<p><b>Description of Project and Problem:</b> The project includes the installation of two (2) new earthen dikes. The two dikes are proposed to provide protection from storm surges from both the Delaware River side and the west side of the property. The longer of the two dikes is located along the Delaware River shoreline, and is approximately 4,000 feet in length. It will be located 100 to 500 feet landward from the current Delaware River shoreline, outside the designated limit of moderate wave action (the limit of damaging wave action as mapped by FEMA). The riverside face of the dike will be partially lined with riprap revetment. FDRPC is also investigating the feasibility of shoreline improvements along the Delaware River including the removal of invasive species and installation of living shoreline components to supplement and replace hard shoreline elements. The second dike is located on the west side of the property, and runs generally parallel to the Reedy Point Bridge and Route 9. The "bridgeside" dike is approximately 2,500 feet in length. Both dikes will be approximately seven to nine feet above existing ground elevation and have side slopes of 3:1 to 4:1 (horizontal to vertical). A future extension of the Castle Trail is planned to be located on top of the dikes. Both dikes will be keyed into the existing North Reedy Point stockpile, which is owned and maintained by the Army Corps of Engineers on the south side of Fort DuPont. The dikes will taper into proposed fill in the Canal and Marina Districts on the north side of the site. A short section of Route 9 will be raised in elevation to provide flood protection and act as the northwest terminus of the bridge-side dike. A storm drain pump station will be necessary to pump storm water collected within the bowl created by the dikes through the river-side dike. Impacts to tidal and non-tidal wetlands areas will be minimized and disturbances mitigated. Mitigation will include creation and restoration of wetlands along the Delaware River and on the southern areas of the site. These efforts will restore the natural tidal hydrology of the existing wetlands and remove and replace invasive species. New and restored wetlands will be protected with a planned conservation easement. The dikes will serve to protect existing infrastructure, historical resources, and site amenities.</p>											
2017	15	50.0	Town of Smyrna	South Main Street Utility Replacement Project	2,120	DE Bay & Estuary - Smyrna River N/A	\$1,705,275	N/A	N/A	\$1,705,275	212
<p><b>Description of Project and Problem:</b> The Town of Smyrna is continuing its long term plan of replacing its aging utility network. The South Main Street project mainly consists of replacing undersized and failing sewer mains. The Town has continued its ongoing asset management plan by maintaining and updating a hydraulic model for the entire sewer system. The sewer system has been mapped and is updated as new infrastructure is built or existing infrastructure is replaced. Using the model, the Town has created a prioritized list of projects as part of the Capital Improvement Program. The projects are determined by analyzing anticipated capacity and failure issues. Capital needs are also estimated once a project is identified by using the model to determine the extent of the upgrades or replacement. The Town has also recently implemented best practices according to EPA's "Asset Management: A Best Practices Guide" document by addressing the 5 major questions framework. The Town acquired an Asset Management Incentive Program grant from DNREC to aid in the implementation. Both the Town's sewer rates and connection and impact fee policies have been established to build, maintain, and operate the sewer system. The sewer rates continue to provide the necessary funds for maintenance and operation of the existing system, including the rehabilitation and replacement of aging infrastructure. The connection and impact fees are utilized for extending the sewer system and future upgrades that will be needed as capacity demands increase. The South Main Street Utility Replacement Project will encompass the replacement of the existing sewer main within South Main Street between South Street and the bridge at Lake Como. The existing 8" gravity sewer main (approximately 1600 linear feet) will be replaced with new 10" PVC pipe, including the replacement of all associated manholes, cleanouts, and laterals. The sewer main is being replaced due to a history of failure and capacity issues.</p>											
2017	26	30.0	Kent County Levy Court	U.S. Route 13 Forcemain Rehabilitation	130,000	DE Bay & Estuary - Murderkill River NPDES DE 0020338	\$6,004,800	N/A	N/A	\$2,423,100	212
<p><b>Description of Project and Problem:</b> The Department of Public Works is proposing a rehabilitation project for a sanitary sewer pipeline in the median of US Route 13 (US 13) in the north Dover area. See attached map. The 1970's era pipeline in need of rehabilitation is a 24" PCCP transmission line which conveys sanitary sewer flows from northern Kent County through the City of Dover to the Kent County Regional Resource Recovery Facility which is located north of Milford, DE. The portion of transmission line, located in the median of US 13 at the north end of Dover, has experienced two significant breaks within the past 3 years. Closed Circuit Television (CCTV) inspection of the pipe prior to the sliplining repair near US 13 and Rustic Lane revealed that much of the transmission line has deteriorated. The crown deterioration viewed in the inspection indicates pipe exposure to the sewer gases associated with the age of the pipe. After the sliplining was completed in 2016, a second break near KW Boulevard occurred just north of the repair. This forcemain represents a critical component of the overall sanitary sewer system. The long term sustainability of the overall system is dependent upon the continued use of this asset to convey flow from Pump Station 2 (Denneys Rd) and northern Kent County. To ensure this asset remains viable, a significant renewal or replacement project is required. In addition to providing reliable sanitary sewer service, maintaining the forcemain in good condition reduces the potential for future breaks. Breaks have significant negative impacts to nearby assets such as roadways, dry utilities, as well as potential environmental, health and safety impacts to the surrounding area.</p>											
2018	4	115.0	City of New Castle	Delaware Street Green Street Renovation	5,285	Delaware Bay & Estuary - Delaware Riv NPDES DE 0051071 (New Castle is Co-	\$367,500	N/A	N/A	\$367,500	319
<p><b>Description of Project and Problem:</b> The City of New Castle is a Co-permittee to the County-wide National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit issued to New Castle County and DelDOT. The permit does not set numeric discharge limits, but rather relies upon the decrease in untreated Effective Impervious Area (EIA) or street surfaces, paved driveways, sidewalks connected to road curbing, rooftops which hydraulically connect to storm sewers, and parking lots. The City is essentially built out and therefore opportunities to reduce EIA are rare. Delaware Street is the main thoroughfare of New Castle's commercial district and is in need of rehabilitation. Surface cracking is evident on the pavement and curbing has deteriorated in some locations. Storm drainage is generally considered inadequate and consists mostly of pipes that were formerly combined sewers before the sanitary sewer system was built decades ago. Decreased reliance on the storm pipes is desired. All of these factors have contributed to New Castle's decision to plan for Delaware Street's complete makeover such that it can continue to serve as a main focal point for decades to come. This transformation from 3rd Street down to the Delaware River will not only provide safe travel by all types of users including automobiles, buses, pedestrians, and bicyclists, but will also enable the street to be more sustainable or a "Green Street". There are few examples of Green Streets existing in Delaware. The City of New Castle intends to make Delaware Street a showpiece and example that others can follow.</p>											

**Attachment A - FY 2019 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List**

**FY 2019 CWSRF Wastewater and Stormwater Projects**

2018	5	96.0	Mill 6 Redevelopment, LLC	Mill 6	Hockessin/Yorklyn	Piedmont - Red Clay Creek	0	\$6,411,000	N/A	N/A	\$4,160,000	320
<p>Description of Project and Problem: The Mill 6 project will be done in coordination with the Auburn Valley Master Plan, being implemented by the State of Delaware. The project include residential and commercial development. The project allows for Hockessin and Yorklyn greenways to be connected by an eight-foot-wide multipurpose path for public use. The project includes the removal of a three-story industrial building. This building contained asbestos, transformers with PCBs that is being removed as part of the building demolition. This project also includes stream restoration and flood plain mitigation. This project will implement green technology BMPs that will enhance stormwater and surface water quality.</p>												
2018	6	96.0	Mill 6 Redevelopment, LLC	Mills Edge		Piedmont - Red Clay Creek	0	\$4,072,000	N/A	N/A	\$3,572,000	320
<p>Description of Project and Problem: The Mills Edge project will be done in coordination with the Auburn Valley Master Plan, being implemented by the State of Delaware. The project include residential and commercial development. The project allows for Hockessin and Yorklyn greenways to be connected by an eight-foot-wide multipurpose path for public use. This projects will implement green technology BMPs that will enhance stormwater and surface water quality.</p>												
2018	7	96.0	Quarry Walk, LLC	Quarry Walk		Piedmont - Red Clay Creek	0	\$5,909,000	N/A	N/A	\$4,909,000	320
<p>Description of Project and Problem: The Quarry Walk project will be done in coordination with the Auburn Valley Master Plan, being implemented by the State of Delaware. This project include residential and commercial development. This project allows for Hockessin and Yorklyn greenways to be connected by an eight-foot-wide multipurpose path for public use. Arsenic contamination associated with the former use of the property is being removed as part of a remedial effort during Site redevelopment at Quarry Walk. Quarry Walk 10.5 acres of open space consisting of wetlands, uplands, wooded areas, and a 2-acre pond will be dedicated for public use. This project will implement green technology BMPs that will enhance stormwater and surface water quality.</p>												
2018	8	90.0	Tidewater Environmental Services, Inc.	Milton WWTP Replacement	3,000	Delaware Bay & Estuary - Broadkill River NPDES 0021491		\$11,800,000	N/A	N/A	\$11,800,000	320
<p>Description of Project and Problem: Tidewater Environmental Services, Inc. (TESI) owns and operates a wastewater treatment facility within the Town of Milton which provides waste water treatment service to the Town of Milton and surrounding areas. TESI renewed the NPDES permit for this facility effective May 1, 2011 and expiring April 30, 2016. The NPDES permit is under administrative review. Water Pollution Control Needs/Environmental Benefits: The renewed NPDES permit has nutrient limits which reduce the amount of nutrient loading on the Broadkill River. The upgrades will control water pollution and benefit the Broadkill River environment.</p>												
2018	9	80.3	Sussex County	Land Conservation and Water Quality Proposal	0	Inland Bays - Rehoboth Bay	0	\$9,500,000	N/A	N/A	\$5,745,000	319/LCL
<p>Description of Project and Problem: This project seeks to acquire fee simple interest in a forested parcel located in the headwaters of Guinea Creek, a tributary of Rehoboth Bay and part of the Herring Creek/Rehoboth Bay sub-watershed. The project will enhance biodiversity of the site which is currently planted as a monoculture pine plantation and also to restore elements of a first order stream, including wetlands creation, which traverses the property and serves as headwaters for Guinea Creek. The project will also include the reforestation of approximately 60 acres of tillable land that is currently under County ownership as part of the Inland Bays Wastewater Treatment Plant (IBWWTP) which is also located primarily in the Herring Creek/Rehoboth Bay subwatershed. The planning, design and implementation of the 60-acre reforestation and the forest enhancement project will be conducted in partnership with the Center for the Inland Bays (CIB) which has successfully implemented a number of ecological restoration projects including the Bethany Loop Canal living shoreline and wetland restoration, reforestation projects at Angola Neck and Bulseye-Ferry Landing Preserves and the Anchorage Canal watershed stormwater retrofits. Sussex County and the Center have an ongoing and successful partnership in the establishment and operation of the 150-acre James Farm Ecological Preserve, located along Indian River Bay. The property is owned by Sussex County and managed through agreement with CIB and attracts more than 10,000 visitors annually who enjoy the recreational amenities of the property including exploring nearly four miles of trails along with canoeing, kayaking and wildlife viewing while also learning about the Inland Bays, its habitats and living resources. Stream restoration on the site will be conducted by Sussex County in partnership with the Sussex Conservation District (SCD) which has for decades served as a conservation resource and partner to government agencies, private landowners, business and the agricultural community. Through its heavy equipment program, the District has developed expertise in innovative shoreline stabilization and restoration techniques along with stormwater management and drainage. The reforestation, stream restoration and forest enhancement project will be evaluated to determine the water quality benefits that will be realized through implementation. The nutrient reductions will form the basis of a nutrient bank that will be made available to assist stormwater management projects in the Inland Bays watershed that may otherwise not be able to meet regulatory requirements. Total project costs, including acquisition, are estimated at more than \$6M and Sussex County has budgeted \$3.5M for the project and identified a loan repayment revenue stream.</p>												
2018	10	70.1	Sussex County Council	Joy Beach	462	Inland Bays - Rehoboth Bay WPC-3042C-90 (Spray Irrigation)		\$6,500,000	N/A	N/A	\$5,691,821	212
<p>Description of Project and Problem: Install gravity collection system, pump station and forcemains to serve proposed and existing subdivisions in the Joy Beach area as part of the Angola Neck Sanitary Sewer District, within the Inland Bays watershed. A district boundary expansion will be required. This project will eliminate 180 septic systems and prevent 200 from being installed. Water Pollution Control Needs/Environmental Benefits: This is a septic elimination project to continue Sussex County's efforts to serve existing developments/homes and to eliminate existing septic systems. There have been numerous requests from residents in the Joy Beach area to provide a county operated sewer system. These requests include reports of failing septic and possibly cistern systems. These parcels are adjacent to the Rehoboth Bay.</p>												
2018	11	70.1	City of Lewes Board of Public Works	Donovan Smith Mobile Home Park Sewer Extension	400	Delaware Bay & Estuary - Broadkill River WW NPDES Discharge Permit DE 0021512		\$950,000	N/A	N/A	\$925,000	212
<p>Description of Project and Problem: The project will install approximately 4,500 feet of 8-inch PVC sewer main (connected into the existing Board sewer collection system on Donovan Road near the Savannah Place development), 28 manholes with frames and covers, approximately 1,300 feet of 6-inch PVC house sewer services with cleanouts, sewer main and service trench restoration, for 130 mobile home units, to serve the existing Donovan Smith Mobile Home Park. Also, the Park's existing sewage holding tanks will be abandoned. Currently, the Donovan Smith Mobile Home Park is situated outside City limits and sanitary sewage is collected into several on-site holding tanks, which are pumped out several times per week for off-site disposal. Installation of the Board's public sewer system will eliminate the holding tanks and provide a safer, healthier, more sustainable sewage collection and treatment alternative. Public Health Problem: The Donovan Smith Mobile Home Park sewage system utilizes old and aging collection pipes, small pump stations and holding tanks to collect wastewater flow for eventual off-site disposal. The project will provide gravity sewer collection to a development whose current service is provided by a community system that is not performing well and whose current water service is via an on-site community well and distribution system that are located proximate to the existing sewage holding tanks. Expected Project Benefits: The project will serve a development that currently depends on an aging sewage collection system consisting of old collection pipes and pump stations, community-wide holding tanks and a pump-out for off-site disposal methodology. Additional benefits from the project include an enhanced technical and managerial capacity during times of emergency.</p>												

Attachment A - FY 2019 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List											
FY 2019 CWSRF Wastewater and Stormwater Projects											
2018	13	65.9	City of Lewes Board of Public Works	The Orchard Sewer Extension	96	Delaware Bay & Estuary - Broadkill River WW NPDES Discharge Permit DE 0021512	\$1,357,000	N/A	N/A	\$1,336,000	212
Description of Project and Problem: The project will install approximately 2,870 feet of 8-inch PVC sewer main (connected into the existing Sussex County West Rehoboth Sanitary Sewer District at County Pump Station 190) with eleven (11) manholes with frames and covers, and approximately of 6-inch PVC house sewer services with cleanouts, including sewer main and service trench restoration, for 24 single family homes located on Bradford Lane, McIntosh Court and Old Orchard Road. Also, existing septic systems will be abandoned upon sewer main/service installation and hook-up by residents/commercial users. Currently, the 24 residences are situated outside City limits and sanitary sewage is treated via individual on-site septic systems. Installation of the Board's public sewer system will eliminate the on-site septic systems, and provide a safer, healthier, more-sustainable sewage collection and treatment alternative.											
2018	14	65.8	City of Lewes Board of Public Works	Savannah Road Sewer Extension	90	Delaware Bay & Estuary - Broadkill River WW NPDES Discharge Permit DE 0021512	\$2,025,000	N/A	N/A	\$2,025,000	212
Description of Project and Problem: The project will install approximately 1,025 feet of 10-inch PVC sewer main (connected into the existing Board sewer collection system on Donovan Road near the Savannah Place development) with four (4) manholes with frames and covers, an approximate 80-foot jack & bore of 10-inch PVC sewer main with appropriately-sized casing under DeIDOT-maintained Savannah Road (Route 9), and approximately 1,600 feet of 8-inch PVC sewer main installed in a southerly direction on the east side of Savannah Road with five (5) manholes, and approximately 700 feet of 6-inch PVC house sewer services with cleanouts, including sewer main and service trench restoration, for 21 single family homes and one (1) commercial improved parcel. Also, existing septic systems will be abandoned upon sewer main/service installation and hook-up by residents/commercial users. Currently, the 21 single family, and one (1) commercial, parcels on Savannah Road are situated outside City limits and sanitary sewage is treated via individual on-site septic systems. Installation of the Board's public sewer system will eliminate the on-site septic systems, provide a safer, healthier, more-sustainable sewage collection and treatment alternative, and encourage annexation into the City of Lewes.											
2018	15	65.5	City of Lewes Board of Public Works	Donovans Road Sewer Extension	55	Delaware Bay & Estuary - Broadkill River WW NPDES Discharge Permit DE 0021512	\$575,000	N/A	N/A	\$550,000	212
Description of Project and Problem: The project will install approximately 800 feet of 8-inch PVC sewer main (connected into the existing Board sewer collection system on Donovan Road near the Savannah Place development), three (3) manholes with frames and covers, approximately 325 feet of 6-inch PVC house sewer services with cleanouts, sewer main and service trench restoration, for 12 single family homes and one (1) unimproved parcel, to serve the southwest end of Donovans Road. Also, existing septic systems will be abandoned upon sewer main/service installation and hook-up by residents. Currently, the 13 parcels on Donovans Road are situated outside City limits and sanitary sewage is treated via individual on-site septic systems. Installation of the Board's public sewer system will eliminate the on-site septic systems and provide a safer, healthier, more-sustainable sewage collection and treatment alternative.											
2018	17	62.7	Sussex County Council	Mulberry Knoll	238	Inland Bays - Rehoboth Bay WPCC-3042C-90 (Spray Irrigation)	\$4,800,000	N/A	N/A	\$3,135,379	212
Description of Project and Problem: This project consists of a gravity collection system, sub-regional pump station & force main to our regional pump station to serve the area known as Mulberry Knoll. The area is a peninsula in the Rehoboth Bay and the wastewater will be pumped to the County's Inland Bays Regional Wastewater Facility for treatment & disposal. The area will require annexation into the county sewer district. This project will eliminate 80 septic systems and prevent 8 from being installed. Water Pollution Control Needs/Environmental Benefits: This is a septic elimination project to continue Sussex County's efforts to serve existing development/homes with a central sewer system and to eliminate existing septic systems.											
2018	21	60.0	City of Newark	Sanitary Sewer System Study and Rehabilitation	30,000	Delaware Bay & Estuary - Delaware River NPDES DE 0051071 (New Castle is Co-permittee)	\$3,900,000	N/A	N/A	\$3,900,000	212
Description of Project and Problem: This project proposes to address the major deficiencies that were identified in the previous three years' worth of sewer inspections. We have identified approximately \$2.6 million dollars' worth of repairs necessary to the 10% of the system that we have so far inspected. Inspection so far have focused on the White Clay Creek Interceptor and the upstream end of the Cool Run Interceptor, the two main trunk lines that receive sewage from Newark. Some of the deficiencies identified so far are mains exposed in the bank of the White Clay Creek, fractures, inflow and infiltration, roots and a multitude of other issues. This would be a recurring project as we continue our plan to try to visually inspect 5-10% of the City's sewer mains per year.											
2018	23	45.0	Town of Smyrna	East Commerce Utility Replacement	3,050	Delaware Bay & Estuary - Smyrna River N/A	\$1,723,381	N/A	N/A	\$1,712,078	212
Description of Project and Problem: The East Commerce Street Utility Replacement Project will encompass the replacement of the existing sewer main within East Commerce Street between East Street and Fairfield Drive. The project consists of approximately 1200 linear feet of existing 8" gravity sewer main, 700 linear feet of 10" gravity sewer, 100 linear feet of existing 12" gravity sewer main, 350 linear feet of 18" gravity sewer main, and 350 linear feet of 24" sewer main. The sewer mains will be replaced with new PVC piping, and the Town's hydraulic model will be utilized to determine pipe segments that should be upsized. The project will also include the replacement of all associated manholes, cleanouts, and laterals.											
2019	4	70.1	Sussex County Council	Wolfe Runne	270	Inland Bays - Rehoboth Bay NPDES DE 0020265	\$4,275,000	N/A	N/A	\$4,100,000	212
Description of Project and Problem: Install a gravity collection & conveyance system to serve the existing subdivision of Wolfe, a community in the West Rehoboth Sanitary Sewer District with a history of failing septic systems. This project will eliminate 77 septic systems and prevent 5 from being installed. Water Pollution Control Needs/Environmental Benefits: This is a septic elimination project to continue Sussex County's efforts to serve existing developments/homes and eliminate existing septic systems.											
2019	5	61.7	Sussex County Council	Oak Acres	150	Inland Bays - Little Assawoman NPDES-005-0008	\$2,580,000	N/A	N/A	\$2,580,000	212
Description of Project and Problem: Install a gravity collection & conveyance system to serve the existing subdivision of Oak Acres, a community in the Miller Creek Sanitary Sewer District with a history of failing septic systems. This project will eliminate 43 septic systems and prevent 12 from being installed. Water Pollution Control Needs/Environmental Benefits: This is a septic elimination project to continue Sussex County's efforts to serve existing developments/homes and eliminate existing septic systems.											



**Attachment A - FY 2019 CWSRF Wastewater, Stormwater, and GPR Projects - Funding List**

FY 2019 CWSRF Wastewater and Stormwater Projects											
PPL Year	Rank Order	PPL Score	Applicant	Project Name	Population Served	Waterbody / NPDES Permit	Total Project Cost	GPR Category	GPR Eligibility	CWRF Financing	CWA Project Type
2019	6	61.5	Sussex County Council	Mallard Creek	113	Inland Bays - Little Assawoman NPDES-005-0008	\$2,280,000	N/A	N/A	\$2,280,000	212
Description of Project and Problem: Install a gravity collection and conveyance system including a new pump station and forcemain to serve the existing Mallard Creek Subdivision, a community in the Holt's Landing Planning Area that has been annexed into the Sussex County Unified Sanitary Sewer District. This will remove approximately 38 existing on-site septic systems. Water Pollution Control Needs / Environmental Benefits: This is a septic elimination project to continue Sussex County's efforts to serve existing communities/homes and eliminate existing septic systems.											
2019	7	58.0	Sussex County Council	Branch, Autumn & Tucks Road - Long Neck	340	Inland Bays - Indian River Bay WPCC-3042C-90 (Spray Irrigation)	\$3,600,000	N/A	N/A	\$3,600,000	212
Description of Project and Problem: Install a gravity collection system to a new pump station to be installed by the proposed Deerbrooke Subdivision to serve existing homes along Branch & Autumn Roads. A district boundary extension will be required for this section. Install gravity collection system in Tucks Road area. This project will eliminate 73 septic systems and prevent 20 from being installed. Water Pollution Control Needs/Environmental Benefits: This is a septic elimination project to continue Sussex County's efforts to serve existing developments/homes and eliminate existing septic systems.											
<b>Sub-Total FY 2019 Wastewater and Stormwater Projects</b>							<b>\$88,433,616</b>			<b>\$71,257,723</b>	
<b>FY 2019 CWSRF GPR Projects (*The Percentage of the Project that is Energy Efficient will be determined after receipt of application)</b>											
2016	1	90.0	City of Wilmington	Wilmington Wetlands Park	70,000	Piedmont - Christina River DE0020320	\$25,347,500	Green Infrastructure	Yes	\$15,107,399	319/GPR
Description of Project and Problem: The purpose of the Wilmington Wetlands Park (SWWP) is to restore and enhance wetlands, create a stormwater management facility, and create a passive park open space destination. The objectives of the project are to: <ul style="list-style-type: none"> <li>• Reduce flooding events and associated flood impacts in the historic Southbridge neighborhood;</li> <li>• Reduce Combined Sewer Overflow (CSO) discharges to the Christina River and unintended CSO discharges to the Southbridge neighborhood;</li> <li>• Increase resiliency to future storms and sea level rise;</li> <li>• Improve wetland ecological services and accessibility;</li> <li>• Improve water quality in the Christina River; and,</li> <li>• Stimulate economic development in South Wilmington.</li> </ul> The SWWP was conceived and developed in cooperation with the Delaware Department of Natural Resources and Environmental Control (DNREC) and the surrounding community as part of the National Oceanic and Atmospheric Administration (NOAA) funded 2006 South Wilmington Special Area Management Plan (SAMP). The concept of the SWWP was later integrated into the South Walnut Urban Renewal Plan, a comprehensive land use planning document adopted by Wilmington City Council in 2009. Since that time, the City of Wilmington, DNREC and the Wilmington Area Planning Council have been working with the Southbridge community to develop a park that incorporates community feedback to address ongoing issues of flooding and contamination while increasing local walkability and recreational opportunities. The SWWP will provide flood relief to the Southbridge neighborhood, and ecological uplift through wetland enhancement and restoration. The project consists of invasive species control, soil grading, tidal connectivity modifications, and planting to enhance tidal exchange, improve wetland hydrology, and increase the waters-wetland edge and establish a desirable plant community throughout the site. The restoration of the site will also require the excavation and remediation of contaminated soil which date to the site's industrial past. Restoring the area to a high functioning tidal wetland system dominated by native species will dramatically increase the wildlife habitat potential and aesthetic value of the area. In addition, the restored wetland will accept, store and attenuate flood waters that presently flow to a combined stormwater/sanitary sewer system that frequently overflows and floods the Southbridge community. The separation of the storm and sanitary sewers in Southbridge and diversion of stormwater to the SWWP will directly benefit over 1,000 residents of the Southbridge community by reducing flooding frequency in addition to increasing available storm capacity. To meet the green project reserve definition, the project includes the green infrastructure features: <ul style="list-style-type: none"> <li>• Management of wet weather conditions and maintenance and restoration of natural hydrology by infiltrating and evapotranspiring stormwater; and,</li> <li>• Preservation and restoration of natural landscape features, such as forests, floodplains and wetlands.</li> </ul>											
2017	2	80.0	City of Wilmington	15th and Walnut CSO Separation, Green Infrastructure Installation, and Bicycle Pump Track	70,000	Piedmont - Christina River DE0020320	\$820,000	Green Infrastructure	N/A	\$700,000	319/GPR
Description of Project and Problem: The purpose of the 15th and Walnut Green Stormwater Infrastructure project is improve water quality in the Wilmington watershed by separating stormwater runoff from Combined Sewer Flow (CSO) in two recently built housing projects and one block of Walnut Street within the City of Wilmington. The project will then route the runoff through green infrastructure BMP's to capture the first 2 inches of precipitation using a combination of rain gardens, tree trenches, and bioswales to reduce the quantity and improve the quality of the stormwater prior to discharging into the nearby Brandywine Creek. In the current and previous condition, parcels stormwater flow was discharged by the City's combined sewer overflow collection system. The project will incorporate into the construction a park-like amenity in the form of a bicycle pump track that will reinforce the mission of the Non-profit organization, The Urban Bike Project. The overall project will allow for community outreach both in support of the an economically disadvantaged area. The objectives of the project are to: <ul style="list-style-type: none"> <li>• Remove stormwater from the City's CSO system, reducing Combined Sewer Overflow (CSO) discharges into the Brandywine creek;</li> <li>• Mitigate both the quantity and quality of stormwater discharged to the Brandywine River;</li> <li>• Create a greenspace that will benefit the local community and the surrounding communities; and,</li> <li>• Reinforce the mission and outreach of The Urban Bike Project by creating a recreational opportunity that will draw users, volunteers and resources specific to the needs of the non-profit organization.</li> </ul>											
2019	3	50.0	DNREC, Division of Watershed Stewardship	Watershed Improvement Projects	961,939	TBD N/A	\$2,500,000	N/A	N/A	\$2,500,000	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.											
<b>Sub-Total FY 2019 GPR Projects</b>							<b>\$28,667,500</b>			<b>\$18,307,399</b>	
<b>Total CWSRF FY 2019 Project Funding</b>							<b>\$117,101,116</b>			<b>\$89,565,122</b>	

Notes: Section 212 Publically-Owned Treatment Works; Section 319 Non-Point Source; Section 320 Natural Estuary; LCL and Conservation Loan; WQIL Water Quality Improvement Loan; GPR Green Project Reserve.

# Attachment B

CWSRF Non Federal Administrative Account (NFAA), Current and Planned Uses			Updated: 1-31-2019				
	FY17 Actual	FY18 Actual	FY19 Projected	FY19 Actual to Date	FY20 Projected	FY21 Projected	FY22 Projected
<b>1. Source of Funds (includes Fed and Non-Fed Admin)</b>							
Total Annual Revenues	\$2,419,495	\$3,148,566	\$3,254,578	\$1,468,302	\$3,254,655	\$3,375,248	\$3,396,253
<b>2. Administrative Expenses and Uses (includes Fed and Non-Fed Admin)</b>							
Total Administrative Expenses and Uses	\$1,492,320	\$1,430,162	\$1,342,957	\$740,677	\$1,370,957	\$1,399,957	\$1,428,957
Total Administrative Obligations/Encumbrances To Be Paid	\$57,752	\$156,918	\$100,000	\$168,683	\$100,000	\$100,000	\$100,000
<b>3. CWSRF State Match</b>							
<b>A. CWSRF State Match</b>	\$524,863	\$0	\$0	\$0	\$0	\$0	\$0
<b>4. Additional Program Expenses and Uses</b>							
Total Additional Program Expenses	\$1,636,654	\$1,886,918	\$2,479,000	\$666,121	\$2,140,000	\$2,102,000	\$2,114,000
Total End of FY Program Obligations/Encumbrances	\$1,562,151	\$1,095,789	\$1,918,000	\$1,355,923	\$1,745,000	\$1,646,000	\$1,647,000
<b>Total Combined Annual Expenses and Uses</b>	<b>\$3,128,974</b>	<b>\$3,317,080</b>	<b>\$3,821,957</b>	<b>\$1,406,798</b>	<b>\$3,510,957</b>	<b>\$3,501,957</b>	<b>\$3,542,957</b>
<b>5. Total CWSRF NFAA Expenses</b>							
CWSRF NFAA Expenses	\$3,653,837	\$3,317,080	\$3,821,957	\$1,406,798	\$3,510,957	\$3,501,957	\$3,542,957
Total CWSRF NFAA End of FY Obligations	\$1,619,903	\$1,252,707	\$2,018,000	\$1,524,606	\$1,845,000	\$1,746,000	\$1,747,000
PY Adjustment/Release of Unused PY Obligations	(\$177,751)	\$698,478					
<b>6. Annual Fund Growth (Decrease)</b>	<b>(\$1,412,093)</b>	<b>\$529,964</b>	<b>(\$567,379)</b>	<b>\$61,504</b>	<b>(\$256,302)</b>	<b>(\$126,709)</b>	<b>(\$146,704)</b>
<b>7. Balances</b>							
End of FY Available Fund Balance	\$2,928,713	\$3,825,873	\$2,493,065	\$3,047,963	\$2,410,000	\$2,382,000	\$2,234,000
End of FY Accounting Fund Balance	\$4,548,616	\$5,078,580	\$4,511,065	\$4,572,569	\$4,255,000	\$4,128,000	\$3,981,000
<b>8. Grant Programs</b>			<b>Historical Annual Grant/Program Allocations Approved</b>		<b>Projected Annual Grants / Program Allocations</b>		
<b>SEFO Program (strictly for low-income)</b>	<b>\$300,000</b>	<b>\$350,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$350,000</b>
Obligated/Encumbered	\$0	\$20,000	\$250,000	\$0	\$350,000	\$350,000	\$350,000
<b>Wastewater Matching Grants (w/underserved priority)</b>	<b>\$500,000</b>	<b>\$300,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>
Obligated/Encumbered	\$100,000	\$232,821	\$125,000	\$337,131	\$200,000	\$150,000	\$150,000
<b>Asset Management Planning Grants</b>	<b>\$500,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
Obligated/Encumbered	\$1,006,138	\$657,516	\$793,000	\$618,186	\$795,000	\$796,000	\$797,000
<b>Project Planning Advances</b>	<b>\$500,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
Obligated/Encumbered	\$160,000	\$106,800	\$100,000	\$115,606	\$100,000	\$100,000	\$100,000
<b>Surface Water Matching Grants</b>	<b>\$300,000</b>	<b>\$325,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>
Obligated/Encumbered	\$141,809	\$72,500	\$125,000	\$50,000	\$125,000	\$125,000	\$125,000
<b>Community Water Quality Grants</b>	<b>\$350,000</b>	<b>\$227,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>
Obligated/Encumbered	\$154,204	\$6,152	\$125,000	\$0	\$125,000	\$125,000	\$125,000
<b>Special Study</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Obligated/Encumbered	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Additional Subsidization Program for Qualified Rate Payers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
Obligated/Encumbered	\$0	\$0	\$100,000	\$0	\$20,000	\$40,000	\$60,000
<b>Statewide Wastewater/Stormwater Studies</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>
Obligated/Encumbered	\$0	\$0	\$300,000	\$235,000	\$50,000	\$0	\$0
<b>Total Proposed Program Uses</b>	<b>\$2,450,000</b>	<b>2,002,000.00</b>	<b>\$1,900,000</b>	<b>\$1,800,000</b>	<b>\$1,450,000</b>	<b>\$1,400,000</b>	<b>\$1,400,000</b>
Obligated/Encumbered	\$1,562,151	\$1,095,789	\$1,918,000	\$1,355,923	\$1,745,000	\$1,646,000	\$1,647,000

**Attachment C: Source and Uses of Funds for the State**

**WPCRF**  
**Intended Use**

Cumulative Sources of Funds as of	June 30, 2018		\$477,674,830
Cumulative Uses as of	June 30, 2018		
		Total Loan Obligations <u>Closed</u>	(432,281,989)
		Balance of Loan Obligations <u>Undisbursed</u>	37,662,274
<b>2018 End of Year Fund Balance</b>	<b>June 30, 2018</b>		<b>\$83,055,115</b>
<b>2019 Sources of Funds</b>	<b>February 28, 2019</b>		
Capitalization Grants - Non ARRA			
Actual as of February 28, 2019		\$7,859,000	
State Match (20%) - Non ARRA			
Actual as of February 28, 2019		<u>1,571,802</u>	
Cumulative Capitalization Grants and State Match			9,430,802
Repayments - Cap Grant Loans			
Actual as of February 28, 2019		7,302,301	
Projected to June 30, 2019		10,424,000	
Repayments - NPS Loans			
Actual as of February 28, 2019		73,217	
Projected to June 30, 2019		<u>329,000</u>	
Annual Repayments			18,128,518
Investment Earnings			
Actual as of February 28, 2019		186,728	
Projected to June 30, 2019		<u>363,000</u>	
Annual Investment Earnings			549,728
<b>Projected Sources Subtotal</b>	<b>June 30, 2019</b>		<b>\$28,109,048</b>
<b>2019 Use of Funds</b>			
<b>New Loans Closed</b>			
Section 212 loans closed			
Actual as of February 28, 2019		\$21,691,761	
Projected to June 30, 2019		2,658,100	
Section 319 loans closed			
Actual as of February 28, 2019		2,375,000	
Projected to June 30, 2019		1,206,460	
Section 320 loans closed			
Actual as of February 28, 2019		13,068,454	
Projected to June 30, 2019			
Land Conservation/Water Conservation Loans Closed			
Actual as of February 28, 2019			
Projected to June 30, 2019		5,745,000	
Green Projects Loans Closed			
Actual as of February 28, 2019		9,000,000	
Projected to June 30, 2019		17,607,399	
Administrative			
Actual as of February 28, 2019		0	
Projected to June 30, 2019		0	
Total Loan Obligations Closed*		<u>\$73,352,174</u>	
<b>Projected Disbursements of <u>Closed Loans</u></b>	<b>June 30, 2019</b>		<b>(\$74,470,452)</b>
<b>2019 End of Year Projected Fund Balance</b>	<b>June 30, 2019</b>		<b>\$36,693,711</b>
<b>2020 Source of Funds</b>			
Capitalization Grant (FFY19)		\$7,777,900	
State Match - (20%)		1,555,800	
Transfer of Federal Grant Funds from DWSRF		0	
Transfer of State Match from DWSRF		0	
Repayments		27,165,000	
Investment Interest		<u>600,000</u>	
<b>Projected Sources Subtotal</b>	<b>September 30, 2020</b>		<b>\$37,098,700</b>
<b>2020 Use of Funds</b>			
<b>New Loans Closed - From IUP</b>			
Section 212 Projects Closed		\$38,524,223	
Section 319 Projects Closed		3,920,000	
Section 320 Projects Closed		24,441,000	
Land Conservation Loans Closed		5,745,000	
Green Projects Closed		18,674,899	
Proposed Administration - Cap Grant		0	
Reserved for Transfer of Funds back to DWSRF (as needed)		<u>As Needed</u>	
Total Loan Obligations <u>Proposed</u>			(\$91,305,122)
Balance of Loan Obligations <u>Undisbursed</u>			\$34,006,194
<b>2020 Projected Fund Balance</b>	<b>September 30, 2020</b>		<b>\$16,493,483</b>

**Delaware Water Pollution Control Revolving Fund**  
**Attachment D: Binding Commitment and Disbursements by Project**

Data Sources: Project Status Report v01142019, Cash Flow Report v01092019, and 2019 Draft PPL/RUP					Disbursements Ending 9/30/2020			
					10/1/2019	1/1/2020	4/1/2020	7/1/2020
					12/31/2019	3/31/2020	6/30/2020	9/30/2020
Project	Cost	Binding Commitment Date	Est. Construction Completion Date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<b>Wastewater Projects</b>								
City of Wilmington								
Shallcross Ave Sewer Separation (settlement delayed into SFY 2019 settlement based on City Council schedule)	\$1,206,460	May-18	Jun-20	\$120,646	\$271,454	\$693,714	\$120,646	
City of Lewes BPW								
Savannah Road Sewer Extension	\$2,025,000	Pending	Mar-21				\$506,250	
Donovans Road Sewer Expansion	\$925,000	Pending	Nov-20	\$9,250	\$226,625	\$226,625	\$462,500	
Donovan Smith MHP Sewer Extension	\$550,000	Pending	Mar-20			\$550,000	\$0	
The Orchard Sewer Extension	\$1,336,000	Pending	May-20			\$1,336,000	\$0	
City of New Castle								
Delaware Street Green Renovation	\$367,500	Nov-19	Dec-20	\$36,750	\$73,500	\$73,500	\$147,000	
Sussex County Council								
LCLP & WQIP Special NOI Burton Property (County Ordinance drafted; reimbursement expected in SFY2019)	\$5,745,000	Aug-18	Dec-19	\$375,253	\$0	\$0	\$0	
Mallard Creek	\$2,280,000	Pending	Mar-20	\$912,000	\$912,000	\$228,000	\$0	
Oak Acres	\$2,580,000	Pending	Jul-21		\$300,000	\$325,000	\$322,500	
Branch, Autum & Tucks Road Long Neck	\$3,600,000	Pending	Jun-20		\$1,620,000	\$1,620,000	\$360,000	
Joy Beach	\$5,691,821	Pending	Dec-20	\$650,000	\$1,100,000	\$1,100,000	\$3,000,000	
Mulberry Knoll	\$3,135,379	Pending	Sep-20	\$480,000	\$870,000	\$1,000,000	\$783,845	
Wolfe Runne	\$4,100,000	Pending	Jul-20	\$615,000	\$1,025,000	\$1,025,000	\$1,025,000	
Kent County Levy Court								
Air System Blower Optimization Project (est 10/2019 settlement based on equipment mfg of 1 year)	\$1,354,110	Feb-18	Dec-19	\$400,000	\$400,000	\$400,000	\$0	
US Route 13 Forcemain Rehabilitation	\$2,423,100	Sep-18	Oct-19	\$600,000	\$600,000	\$600,000	\$0	
Town of Smyrna								
South Main Street Utility Replacement Project (120.91)	\$1,705,275	May-18	May-20	\$280,000	\$280,000	\$280,000	\$0	
E Commerce Street Utility Replacement Project	\$1,712,078	Pending	Jun-20	\$400,000	\$400,000	\$400,000	\$340,870	
City of Newark								
Sanitary Sewer System Study & Rehabilitation (Phases 1-3)	\$3,900,000	Jan-19	Jun-22	\$430,000	\$430,000	\$870,000	\$430,000	
Fort Dupont Redevelopment Corporation								
Floodproofing Improvements (Dike)	\$2,180,000	Pending	Jun-20	\$550,000	\$550,000	\$550,000	\$530,000	
Mill 6 Redevelopment, LLC								
Mill 6 Red Clay	\$4,160,000	Pending	Sep-21	\$500,000	\$500,000	\$500,000	\$725,000	
Mills Edge Red Clay	\$3,572,000	Pending	Sep-21	\$150,000	\$150,000	\$150,000	\$600,000	
Quarry Walk, LLC								
Quarry Walk Red Clay	\$4,909,000	Pending	Jan-22	\$300,000	\$300,000	\$300,000	\$300,000	
Tidewater								
Milton WWTP Replacement	\$11,800,000	Pending	May-21	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
<b>Green Project Reserve Projects</b>								
City of Wilmington								
Wilmington Wetlands Project	\$15,107,399	Nov-17	Dec-21	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	
15th & Walnut CSO	\$700,000	Pending	Jan-20	\$140,000	\$140,000	\$140,000	\$140,000	
DNREC, Division of Watershed Stewardship								
Watershed Improvement Projects	\$2,500,000	One-time	One-time	\$625,000	\$625,000	\$625,000	\$625,000	
<b>Transfer of Funds back to DWSRF</b>								
	As Needed	N/A		As Needed	As Needed	As Needed	As Needed	
<b>NPS Expanded Use Programs</b>								
Septic Rehabilitation Loan Program	\$500,000	Continuous	Continuous	\$75,000	\$75,000	\$75,000	\$75,000	
Agricultural NPS Loan Program	\$500,000	Continuous	Continuous	\$125,000	\$125,000	\$125,000	\$125,000	
Expanded Uses NPS Loan Prog.	\$500,000	Continuous	Continuous	\$125,000	\$125,000	\$125,000	\$125,000	
Leaking Storage Tank Remediation Loan Program	\$240,000	Continuous	Continuous	\$60,000	\$60,000	\$60,000	\$60,000	
Administrative Expenses	\$0			\$0	\$0	\$0	\$0	
<b>Totals</b>	<b>\$91,305,122</b>			<b>\$11,458,899</b>	<b>\$14,658,579</b>	<b>\$16,877,839</b>	<b>\$14,303,611</b>	
<b>Grant Award - Federal Share</b>	<b>\$7,777,900</b>			<b>\$7,777,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grant Award - State Match</b>	<b>\$1,555,800</b>			<b>\$1,555,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>CWSRF Corpus - Repayment Funds</b>	<b>\$81,971,422</b>			<b>\$2,125,199</b>	<b>\$14,658,579</b>	<b>\$16,877,839</b>	<b>\$14,303,611</b>	
<b>Federal %</b>	<b>83.33%</b>			<b>83.33%</b>				
<b>State Match %</b>	<b>16.67%</b>			<b>16.67%</b>				

**Attachment E: FFY2019 ASAP Payment Schedule  
(Federal Dollars)**

<b>Calendar Year / Federal QTR</b>	<b>Payment Date</b>	<b>ASAP Payment Schedule</b>	<b>ASAP Cumulative Amount</b>
19/1	1st Quarter	\$0	\$0
20/2	2nd Quarter	\$7,777,900	\$7,777,900
20/3	3rd Quarter	\$0	\$7,777,900
20/4	4th Quarter	\$0	\$7,777,900