

# APPENDIX 1: CLEAN WATER PRIORITY SYSTEM RANKING

## METHODOLOGY

### **I. Project Priority List — General Information**

Clean water projects must be listed on the Project Priority List in order to be considered eligible for financial assistance under the CWSRF. The Priority List identifies the estimated total eligible building costs under the appropriate project category. Except for certain project types, the figure under the "Total Eligible Project Cost" includes the estimated total eligible building costs, the related costs for construction services (i.e., administrative, legal, engineering, inspection, one-year start-up services, etc.), the actual or estimated planning and/or design costs, 3% for the recipient's administrative costs, and a 5% contingency cost. The figure under the "Total State Amount" column represents 100% of the estimated total eligible project costs.

DEP has established a rolling application process and will update and post the Priority List up to four times during a fiscal year. The Department expects to notify potential borrowers and other interested parties upon each posting of an amendment to the Priority List on the DEP and I-Bank websites.

### **II. Ranking Methodology**

DEP ranks all projects on the basis of the total number of ranking points each project receives and places the projects on the Priority List according to their ranking. The ranking system gives highest priority to projects that address discharges of raw, diluted, or inadequately treated sewage to the state's waters during wet weather, including projects to abate CSOs and projects to address sanitary sewer systems that overflow. CSO abatement projects are expensive and are usually located in financially distressed urban areas, making cost a serious concern. Discharges from combined sewer systems and sanitary sewer overflows can impair water uses.

DEP's Priority List provides a strategic foundation for structural changes and includes objectives to implement projects that will help to protect, maintain and improve water quality in and around the Barnegat Bay, while also determining the best long-term approach for restoring the ecological health of Barnegat Bay. To support these efforts to improve the water quality of the Bay, the project ranking methodology for the FFY 2019 Financing Program provides an additional 300 priority points to nonpoint source and stormwater runoff control projects that are intended to benefit the Barnegat Bay. The additional 300 points will be assigned to wastewater reuse projects that are intended to offset the loss of freshwater flows caused by the regionalization of sewage treatment plants and the use of ocean outfalls.

#### **A. Sustainable Community Planning Activities**

The purpose of the provisions in this section is to encourage and facilitate implementation of environmentally sustainable practices at the local government level. Prudent environmental planning that incorporates sustainability measures is necessary to achieve cost-effective and environmentally sound water quality improvement within the watershed. Additional priority points will be awarded to projects located in or benefiting municipalities that have implemented programs and actions that go beyond compliance with existing regulatory requirements and incorporate the planning strategies discussed below.

Sustainable Community Planning: Sustainable communities develop and adopt master plans and ordinances that improve the overall quality of life for citizens of today as well as future generations by

planning within natural resource capacity constraints and providing for a healthy economy, environment and society. Projects located in or benefiting municipalities where sustainable community strategies have been developed and master plans and/or ordinances adopted will be awarded an additional 100 priority points. These strategies/ordinances must include, but are not limited to, the following:

- A plan to reduce water consumption and increase water efficiency and re-use;
- Policies that require consideration of green design in municipal construction projects and redevelopment projects, such as green roofs, green streets, tree filters, rain gardens, rain barrels, porous pavements, etc.

Green design principles include green building practices that increase energy and water efficiency; use renewable energy; use environmentally friendly building materials that are made with recycled materials, are durable, sustainability harvested or produced locally; improve indoor air quality; and makes appropriate site selection and minimizes site disturbance to reduce environmental impacts.

**B. Project Discharge Category Points**

All projects receive ranking points based on the project discharge category. In case of multiple purpose proposals, projects qualify for the discharge category that represents the major scope of the project. If a project has aspects that can be described by more than one category, the project may be broken into separate projects. Tables IA and IB show the project discharge categories and their corresponding ranking points.

<b>Table IA. Ranking Points Related to Project Discharge Category For Wastewater Treatment Facilities</b>		
<b>Project Discharge Category</b>	<b>Description</b>	<b>Points</b>
Combined Sewer Overflow (CSO) & Sanitary Sewer Overflow (SSO)	Combined sewer system (CSS) rehabilitation/repair, the construction of treatment and/or storage facilities within CSS, at discharge locations or at STPs that reduce or eliminate CSOs, or the separation of combined sewer systems by the consolidation and elimination or sealing of CSO discharge points. Projects that implement corrective measures to fix overloaded conveyance systems that experience chronic overflows.	600
Sewage Treatment Plant (STP) Improvements	STP improvements include upgrades or other improvements to a treatment process or the elimination of an existing STP and the connection to an alternative treatment facility to meet applicable treatment levels and the purchase and installation of security and energy efficiency measures at the STP.	500
Sanitary Sewer System Rehabilitation	Wide variety of corrective measures to sanitary sewer collection and conveyance systems that do not experience chronic overflows, such as the rehabilitation, repair, or replacement of sanitary sewers, pump stations, interceptors, or the purchase of equipment to properly maintain the sanitary sewer system.	450
	Projects involving the construction of facilities to manage sludge from STPs or from potable water treatment	350

Sludge Treatment/Disposal Facilities	activities, such as the installation of dewatering equipment, the implementation of land application or composting activities or improvements or repairs to sludge incinerators.	
Wastewater Reuse	The construction of facilities that promote the reclamation of water for beneficial reuse such as the use of treated effluent for agricultural or other purposes and/or construction of conveyance and distribution systems to allow for reuse activities.	300
Septic System Repair/Replacement	Projects that involve repairs, improvements, and/or replacement of individual or small community, on-site septic systems.	275
New Systems	The expansion of a STP's treatment capacity, and the construction of new facilities to provide collection, conveyance or treatment of sanitary sewage.	250

Projects that implement green infrastructure, water or energy efficiency improvements (including projects that are designed to reduce greenhouse gas emissions) will receive an additional 50 priority points if the green components represent a significant amount of the overall project activities.

<b>Table IB. Ranking Points Related to Project Categories for Stormwater and Nonpoint Source Pollution Management Facilities</b>		
<b>Project Category</b>	<b>Description</b>	<b>Points</b>
Stormwater Management and other NPS activities	The construction or rehabilitation of stormwater basins, sewer systems or storm drains, the extension of outfall pipes, green roofs, blue roofs, green streets, tree filters, rain gardens, rain barrels, porous pavement or the purchase of maintenance equipment (such as street sweepers, aquatic weed harvesters and skimmer boats). Projects that stabilize streambanks, restore lakes or address runoff from salt storage facilities and the implementation of measures to address pollution concerns from agricultural cropland activities and manure runoff management and feedlot operations.	225
Landfill Closure, Open Space Land Acquisition and Conservation and Well Sealing	The implementation of measures to prevent and control pollutants from entering groundwater at non-operating landfill sites that are publicly owned and at abandoned well locations. Open space land acquisition and conservation projects that help to protect or maintain water quality.	150
Landfill Construction and Remedial Action Activities	The construction of facilities to collect, convey and/or treat leachate and runoff from new publicly-owned landfill cells or from publicly-owned contaminated sites.	75
Projects sponsored by	Environmental infrastructure projects where a developer, LLC, partnership or other private party is involved in the project; landfill closure measures and remedial action activities where the project site is privately owned. If a	50

Conduit Borrowers/ Private Activity	local government unit that sponsors a project on behalf of a private entity commits to providing a general obligation pledge (including its unlimited taxing power) or municipal guarantee as security for the DEP and I-Bank loans, the project is considered exempt from the conduit financing classification and corresponding funding limitations.	
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### C. Water Use/Water Quality Points

Points are awarded based on the designated water uses of the receiving water as well as the existing water quality conditions in comparison to the ambient water quality standards. The assignment of points for “public nuisance” is given to on-site system projects where failures have been identified. Table II below shows the breakdown of the ranking points for water use; in general, the highest values are given for projects that discharge to water bodies with potable, recreational, and fishing uses.

Water Use		Basis/Description	Points
Public Potable Water Supply		Wastewater treatment plant discharges likely to have adverse impacts on an existing downstream potable surface water supply intake. Projects are evaluated based on relative distance between STP discharge and public potable water intake locations.	200
Recreation (“Primary Contact”)		Waters with bathing areas monitored routinely as public beaches as well as the Delaware River upstream of Trenton (north of East Bridge Street at the Lower Trenton Bridge).	125
Fishing	Shellfish	State water bodies that are designated as shellfish growing waters by <i>N.J.A.C. 7:12</i> .	125
	Trout	State freshwater bodies designated for trout production or maintenance by the NJ Water Quality Standards ( <i>N.J.A.C. 7:9B</i> ).	75
	Non-trout	State freshwater classifications not designated trout production or maintenance by <i>N.J.A.C. 7:9B</i> (see Trout description above), including all Delaware River freshwater zones above mile-point 85 as defined by the Delaware River Basin Commission.	25
Public Nuisance		Indirect water use impacts; applies to areas with identified on-site wastewater treatment system failures.	50
Agriculture		Surface water for agricultural use, such as irrigation and farm ponds, based on Department diversion permit (permits required for >70 gal/min diversion).	25
Industry		Surface water known to be used for industrial use such as cooling.	25

Table III shows the points for not meeting or marginally meeting certain water quality parameters. The points reflect the impact the parameters have on meeting the state’s goal to protect and enhance surface water resources, quality criteria, and designated water uses. The magnitude of the contribution that

municipal sewerage facilities have on each of the conditions is reflected in the points awarded under these categories.

Nutrients reflect the presence of phosphorus/phosphates and nitrates/nitrites in a water body. Excessive nutrient levels in freshwater streams and lakes may result a decrease in water quality and an increase in treatment costs. Points are given for nutrients only if the surface waters involved significantly impact existing potable water reservoirs, surface water impoundments or lakes, public bathing areas, or shellfish growing waters. Since there are no nutrient standards for coastal and estuarine waters, no points were assigned for discharges to those water bodies.

Points for toxics address the relative magnitude of ammonia, metals, pesticides, and organic chemicals in the water body. Toxics were given lower points since in most cases the significant contributions of toxic substances come from industrial sources that are better controlled through pretreatment and are only incidentally abated by municipal treatment facilities. In the case of the toxicity of ammonia, municipal facilities are usually the main source, but the most significant impact is associated with streams designated for trout production/maintenance, which already receive a high number of points under the water use category.

<b>Table III. Ranking Points Related to Water Quality</b>				
<b>Water Quality</b>		<b>Points for Water Quality that</b>		
		<b>Meet</b>	<b>Marginally Meet</b>	<b>Do Not Meet</b>
<b>The Water Quality Standard*</b>				
<b>Parameter</b>	Dissolved Oxygen	0	50	100
	Fecal Coliform	0	50	100
<b>Parameter</b>	Nutrients	0	25	50
<b>Category</b>	Toxics	0	25	50

\*The Surface Water Quality Standard for the applicable parameter or category.

#### D. Smart Growth Approvals

DEP seeks to coordinate and enhance the efforts to encourage smart growth through the implementation of the State Development and Redevelopment Plan. DEP assigns ranking points to projects that serve municipalities that have been approved under the Center Designation or Plan Endorsement Process.

For a project serving more than one municipality, the points were included for ranking purposes if the designated center or the endorsed plan is a significant component of the overall project. For further information regarding the State Development and Redevelopment Plan, contact the Office of Planning Advocacy in the New Jersey Department of State at (609) 292-7156.

<b>Table IV. Ranking Points Related to State Planning Commission Approvals</b>	
<b>Community Type</b>	<b>Points</b>
Urban Centers and Complexes	50
Regional Centers	25
Existing Designated Towns	15
Existing Villages	10
Hamlets	5

Projects located in or benefiting areas designated as Brownfield Development Areas, Transfer of Development Rights receiving areas or Transit Villages receive 10 points, so that these projects will rank higher than similar projects that are not located in, or provide benefit to, these smart growth areas.

#### E. Population Points

Projects are assigned points based on the population of the area served by the project. One point is given for every 1 million people living year-round in the project area. Thus, if projects have the same number of ranking points after having received all eligible points, population points become the tiebreaker, with higher priority given to the project serving the larger population.

### Priority Growth Investment Areas

Core criteria for a Priority Growth Investment Area includes being within one or more of the areas identified in Table 1 and within the regional planning entity areas described below.

#### **Table 1: Growth Areas**

1. Former State Plan Policy Map Metropolitan Planning Areas (PA 1) and Nodes
2. Unexpired Commission Approved Centers, Urban Complexes and other areas designated for development or redevelopment as the result of the Commission formally endorsing municipal or county plans
3. Municipally Designated Transfer of Development Rights "Receiving Areas"
4. Municipally Designated "Urban Enterprise Zones"
5. Opportunity Zones
6. Municipally Designated "Areas in Need of Redevelopment" or "Areas in Need of Rehabilitation"
7. Approved "Foreign Trade Zones"
8. Land within Higher Education Campuses suitable for development / redevelopment
9. NJDOT Certified Transit Villages
10. "Urban Transit Hubs" as defined by Economic Development Authority's Urban Transit Hub Tax Credit Program
11. Land owned by the New Jersey Sports and Exposition Authority
12. Commission approved requests for additional areas, for example, sites that have been historically utilized for large-scale commercial, research or industrial uses, that meet Commission requirements may be submitted for inclusion by a county with the support of relevant municipalities and, if relevant, the advice and consent of a regional planning entity. If a county declines to serve this role, requests will be accepted by a municipality or other appropriate entity.

#### **Regional Planning Entities**

As the Act requires, this Plan must treat land within the jurisdiction of a regional planning entity based on the adopted plans and regulations of that entity. As such, the following areas are recognized as Priority Growth Investment Areas:

##### *New Jersey Sports and Exposition Authority (formerly Meadowlands Commission)*

- Lands identified for development and/or redevelopment within the "Land Use Map and Map of the Meadowlands District Master Plan" and the "Hackensack Meadowlands District Official Zoning Map" as amended and supplemented

*Pinelands Commission*

- Lands identified by the Comprehensive Management Plan (CMP) as amended and supplemented as a "Regional Growth Area," a "Town" and developed sections of a "Military and Federal Installation Area"

*Highlands Council*

- Planning Area / Areas Not Conformed - Default to Table 1
- Planning Area / Areas in Conformance – Highlands Council Designated Centers and Redevelopment Areas

*Fort Monmouth Economic Revitalization Planning Authority or its successor:*

- Lands identified for development and/or redevelopment within the "Fort Monmouth Reuse and Redevelopment Plan" as amended and supplemented