State of Delaware
Water Infrastructure Advisory Council
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Minutes of the 125th Meeting

April 15, 2015

The Water Infrastructure Advisory Council held a public meeting on Wednesday, April 15, 2015 at 9:26 a.m., at the Kent County Administrative Complex in Conference Room 220, 555 Bay Road, Dover, Delaware.

MEMBERS PRESENT:
Jeffrey Bross, Acting-Chair
David Baker
Charles Anderson
Eugene Dvornick
Andy Burger
Hans Medlarz
Bruce Jones 9:34am

MEMBERS ABSENT:
Brian Marvin
Jeffrey Flynn
Richard Duncan
Jennifer A. Adkins
Lt. Colonel Douglas D. Riley

OTHERS PRESENT WERE:
Terry Deputy, Financial Assistance Branch
Greg Pope, Financial Assistance Branch
Laura Rafferty, Financial Assistance Branch
Davison Mwale, Financial Assistance Branch
Reza Moqtaderi, Financial Assistance Branch
Robert C. Burns, Financial Assistance Branch
Jan D. Jenkins, Financial Assistance Branch
Jim Sullivan, DNREC
Robert Zimmerman, DNREC
Heather Warren, DPH
David Athey, AECOM
Tawanda Priester, Tidewater Utilities, Inc.
Christopher Brendza, JMT
John Ashman, Sussex County
Ryan Flickinger, KCI
Rob Penman, Jr. Artesian Water Company
Stan Mills, City of Rehoboth Beach
Morris Deputy, Town of Middletown

Molly Murray, News Journal
Charles O'Donnell, GMB
Sharon Lynn, City of Rehoboth Beach
Andrew Jakubowitch, Kent County
Tom Coleman, City of Newark
Dwight Walters, Duffield Associates

CALL TO ORDER-PUBLIC MEETING

Meeting came to order at 9:26am.

APPROVAL OF THE AGENDA:

Motion made by Mr. Dvornick, seconded by Mr. Burger to approve the agenda. Motion passed.

APPROVAL OF MINUTES – Public Meeting held on February 18, 2015:

Motion made by Mr. Medlarz, seconded by Mr. Burger to approve the minutes for the public meeting held on February 18, 2015. Motion passed.

WIAC UPDATES:

Bob Zimmerman stated that Secretary Small approached Secretary Landgraff about forming a group of people to come up with ideas to obtain additional subsidization for Low Median Household Income communities to finance wastewater and drinking water projects. The target group will be individuals and neighborhoods; the State Housing Authority will help with this initiative. Terry Deputy presented the following:

DNREC / DHSS Subgroup
Additional Subsidization for Subgroups In Project Areas

Purpose:

- To help make needed public health and environmental infrastructure projects more affordable for disadvantage sub-groups within proposed drinking water and wastewater project areas.

Subgroup:

- To identify and quantify sub-group populations, relevant data, and develop criteria to offer additional financial assistance, a DNREC / DHSS subgroup would be formed. The Subgroup will include select WIAC members, the State Housing Authority, the Department of Finance, DHSS and DNREC.
- The group will also help to revise the DWSRF – CWSRF Program Interest Rate Policy to reflect the diversity of financial infrastructure needs for potential borrowers.
- Currently, proposed DWSRF and CWSRF projects are reviewed for "community-wide" affordability based on 1.5% of Median Household Income (MHI) for drinking water or wastewater services, and 2.0% of MHI for communities that provide combined utility services.
- If a proposed project will increase residential user rates above the affordability standards, loan subsidies are used to help make the project affordable. This proposal goes one-step further to consider a project's affordability at the residential sub-group level, and would direct subsidies to disadvantaged populations within an overall project area.

Funding:

- The FFY 2015 Federal Capitalization Grants for the DWSRF and CWSRF programs will include approximately $2.65 million and $2.06 million, respectively, in principal loan forgiveness to help make DWSRF and CWSRF projects affordable.

- DNREC will use its remaining 21st Century funds to double the amount of subsidies -- $4.12 million that can be provided to CWSRF projects. DHSS has agreed to use $2.65 million of DWSRF – Non-Federal Administrative Funds to double needed subsidies -- $5.30 million for new drinking water projects.
- This use of funds cannot be sustained over the long run without a state grant program, but our coordinated efforts with consistent offerings can help to jump start an estimated $9.42 million in needed projects.

Path Forward:

- The Cabinet Secretaries for DNREC and DHSS will establish the Subgroup with a charter and WIAC Chair. The group will meet at least monthly, supported by DHSS and DNREC staff.
- The Subgroup will prepare findings and recommendations on a schedule that would allow for consideration by the WIAC prior to the next DWSRF/CWSRF solicitation for project funding requests in late summer or early fall of 2015.

Mr. Medlarz suggested that there should be members on the group that would have the knowledge to assist with the administrative process. This would be to ensure the program does not cost more to run that its disbursements.

Acting-Chair Bross agreed and he hoped the Chair of the group would have flexibility to add members. Acting-Chair Bross asked Mr. Baker if he would be willing to chair the new committee. Mr. Baker said that he would serve as Chair. Other committee members are Charles Anderson, Bruce Jones, and Jeff Flynn (appointed by Acting-Chair Bross). Mr. Baker would like to have a preliminary meeting in May.

Mr. Medlarz had a suggestion that the committee come up with some guidelines for individual income surveys.

Terry Deputy presented the following:

CWSRF and DWSRF Project
Funding Coordination with USDA

Background:

- USDA's office of Rural Development provides financial assistance to rural communities with population of 10,000 or less for drinking water and wastewater infrastructure improvement projects.
- Communities are required to used their own funds or obtain interim bank financing to complete projects, after which, USDA loan/grant funds are used to refinance the incurred debt over 40 years.
- Some USDA loans closed in the past 5 or 10 years have interest rates significantly higher than the current 2% interest rate offered by the DWSRF and CWSRF programs.

Project Funding Coordination:

- The project coordination with USDA will identify rural communities in Delaware that have current drinking water and wastewater infrastructure needs; and have prior closed USDA loans with interest rates higher than 2%.
- Where there is a financial advantage to do so, closed USDA loans will be refinanced with DWSRF and CWSRF funds at 2% to lower annual debt service payments. The refinancing would

be condition upon communities using the annual debt service saving to financing new drinking water and wastewater projects using DWSRF and CWSRF loan funds.

- As opposed to a community using their own funds or obtaining interim bank financing for new projects, DWSRF and CWSRF loans would provide the interim financing at an interest rate of 1%. After a project has been completed, USDA funds would be used to refinance DWSRF and CWSRF debt over 40 years.

Benefits:

- Rural communities could undertake new drinking water and wastewater projects with no increase in residential user rates.
- DWSRF and CWSRF federal capitalization grant funds could be drawn down faster by refinancing existing USDA community loan debt.
- DWSRF and CWSRF loan funds for interim project financing would be repaid in full back to the respective programs after project completion as opposed to 20 or 30 years.

Requirements:

- Proposed USDA community refinancing projects must be on the DWSRF and CWSRF Project Priority Lists
- New projects financed with DWSRF and CWSRF interim financing must comply with USDA program requirement as well as SRF program requirements

Mr. Medlarz expressed his approval with this funding method.

Acting- Chair Bross commended the Secretary on his work for the funding coordination with USDA.

Terry Deputy presented the following:

Proposed Review for
Wastewater and Surface Water Matching Planning Grants

Background:

- ½ of the loan interest received from CWSRF municipal loans is deposited into the Non Federal Administrative Account (NFAA). Wastewater and Surface Water Matching Planning Grants funded from the NFAA were originally developed and intended to help municipalities prepare Preliminary Engineering Reports (PERs) to submit CWSRF loan applications for funding consideration.
- Historically, both matching planning grant programs have been undersubscribed and have not used all their respective $500,000 annual allocations. Most of the awarded matching planning grants have not lead to CWSRF loans. Notices-of-Intend (NOIs) are still being submitted for projects that are not ready to proceed (at least 30% planning and design completed).
- The NFAA will not be able to sustain its current, proposed, and "on-demand" uses unless municipal loan interest continued to feed the account to help create new CWSRF loans.

For Review Consideration:

- Starting with the July 1st funding allocations for the Wastewater and Surface Water Matching Grants, the maximum grant award may be reduced from $150,000 to $100,000; municipalities can receive more than one grant per year. The total allocation for the program can be recommended by the WIAC to be increased during the year if necessary.
- One year after a municipality receives a purchase order for an awarded matching planning grant, a project NOI may be required to be submitted for funding consideration unless it had been determined from the planning process that the proposed project is not feasible.
- After CWSRF loans has been closed, municipalities can request reimbursement for ½ of the matching planning grant from loan proceeds, plus any additional expenses used for planning and design.

There was discussion over the sustainability of the program if funds keep decreasing from the federal government. Mr. Zimmerman stated that the positions may be able to come off the non-federal admin account by raising water fees. About $90 million in SRF funds are not being used; incentives are needed to get applicants, and make sure projects come to fruition. Projects need to continue so that public health, safety, and clean water are protected.

Acting-Chair Bross requested that the three Chairs of the subcommittees (Wastewater, Surface Water, and Finance) meet and discuss the financial situation of the funding prior to the June 17, 2015, WIAC meeting.

NEW BUSINESS:

WIAC Vote to Approve the Draft FY 2015 CWSRF and DWSRF PPLs and IUPs, subject to no adverse public comments received by May 18, 2015.

Motion made by Mr. Dvornick, seconded by Mr. Anderson to approve the Draft FY 2015 CWSRF and DWSRF PPLs and IUPs. Motion passed.

Greg Pope presented the following:

CITY OF REHOBOTH BEACH
Proposed Amendment to the CWSRF Loan Terms For the Proposed Wastewater Treatment Plant Upgrade Project

Project Description:
The Rehoboth Beach Wastewater Treatment Plant improvement and upgrade project involves components of every major step in the treatment process. Many key treatment elements are nearing the end of their useful life; consequently, a major upgrade is needed. This upgrade will also fix some major issues that, if not addressed, may result in the City being unable to meet the requirements of their TMDL permit. The work includes replacing some pumps, VFD's, flow meters, and valves; sealing pipe penetrations; painting and structurally repairing tanks; demolishing a lime silo and the associated building; construction a new maintenance building; installing an emergency generator; and replacing the main switchgear assembly and constructing a new electrical building.

Current CWSRF Loan Terms:
On June 19, 2013 the City of Rehoboth Beach requested and was approved for a $10,488,000 Clean Water State Revolving Fund (CWSRF) loan to improve the mechanical and structural integrity of the City's wastewater treatment plant. The terms of the loan were the following.

CWSRF Loan: $10.488 m
Interest Rate: 3.15%
Loan Term: 20 years

Proposed CWSRF Loan Terms:
The City has agreed to participate in the Land Conservation Loan Sponsorship Program (LCLP) or the Water Quality Improvement Loan Sponsorship Program (WQILP). In consideration for the City to participate in the LCLP or WQILP, the CWSRF loan interest will be reduced from 3.15% to 2.0%.

Land Conservation Loan Sponsorship Program or Water Quality Improvement Sponsorship Loan Program

Loan Term (years)	CWSRF Interest Rate	Water Quality Improvement Interest Rate	Water Quality Improvement Loan	Municipal Wastewater Loan	Semi-Annual Debt Service Payment	Life of Loan Debt Service Payment
			$1,439,332	$10,488,000		
20	3.15%	n/a	n/a	$355,402	**$355,402**	$14,216,064
20	**2.00%**	0.000%	$35,983	$319,418	**$355,402**	$14,216,064

The City must submit a CWSRF Project Notice-of-Intent (NOI) for either a LCLP or WQIP Project by January 31, 2016. If the City does not submit an NOI, the City by default will waive their right to use the additional borrowing capacity under the LCLP or WQIP.

If the City, by default waives their right to the additional borrowing under the LCLP or WQIP, they cannot prepay the proposed CWSRF for the term of the loan.

If the City decides to utilize the additional borrowing capacity under the LCLP or WQIP, they must first close the CWSRF loan for the proposed Wastewater Treatment Plan Upgrade Project, before a CWSRF loan can be closed for a LCLP or WQIP project.

If the City decides to use the additional borrowing capacity under the LCLP or WQIP, they cannot prepay the proposed CWSRF loan for the term of the loan.

Recommendation
The City of Rehoboth Beach is being allow time to make a decision regarding the additional borrowing capacity under the LCLP or WQILP due to a condition in the Record of Decision for the proposed Ocean Outfall Project to conduct a storm water evaluation of its catchment areas and collection system that are associated with the existing five (5) outfalls which discharge directly to the Atlantic Ocean.
Based on the information presented, the Financial Assistance Branch, Office of the Secretary, recommends Council approval and recommendation of the amended loan terms for the proposed Wastewater Treatment Plant Upgrade Project.

Motion made by Mr. Medlarz, seconded by Mr. Baker to adopt the proposed amendment to the CWSRF Loan Terms for the Proposed Wastewater Treatment Plant Upgrade. Motion passed.

Motion to pass a Resolution for Guidance to FAB to ensure there is a reviewed agreement between Sussex County Council and the City of Rehoboth to determine the payment process for debt service and operations cost for the City of Rehoboth Beach's Wastewater Treatment Facility, including the Outfall. Motion made by Mr. Baker, seconded by Mr. Anderson. Mr. Medlarz voted no-not necessary because it is the responsibility of the borrowing party. Acting – Chair Bross voted no. Motion passed.

CITY OF REHOBOTH BEACH
Ocean Outfall, Force Main and Pump Station

Project Description

- The City of Rehoboth Beach is required by DNREC under the terms of a consent order, to eliminate the discharge of treated effluent from the Rehoboth Beach Wastewater Treatment Plant (RBWWTP) into the Lewes-Rehoboth Canal. A 24-inch ocean outfall is proposed to extend 6,000 feet offshore to a diffuser located in water approximately 40 feet deep. Two construction techniques will be utilized for construction of the force main. They include: Horizontal Directional Drill (HDD) and Open Cut Installation.
- A new pump station and force main is required to convey the treated effluent to the ocean outfall and to provide the head required to pump the effluent through the diffusers. Vertical turbine effluent pumps will be installed in the existing post-aeration tank. The force main will be a 24 inch pipe. It will be aligned along the plant access road and end at the public access parking area at the beach near Henlopen Avenue.

- The pipeline from the RBWWTP to the ocean outfall was sized to handle the summer peak flow. A detailed alignment study was completed to determine the best routing of the force main considering such issues as cost, environmental issues, permitting, potential interferences, traffic control and public concerns. The preferred alignment was selected based on the recommendations of the Rehoboth Beach Wastewater Treatment Plant Effluent Force Main Alignment Study.

Environmental Review

- The Department **(DNREC)** determined an Environmental Impact Statement (EIS) was required.
  The following steps have been taken by the Department:
  - A Notice of Intent to prepare an EIS was publicly noticed on August 8, 2010.
  - A project overview was noticed and emailed to affected Federal, State, and local agencies, and other interested parties, asking for comment on the scope on August 8, 2010. Comments were accepted from reviewers and the public until September 22, 2010.
  - A Public scoping meeting was held on September 21, 2010 at Rehoboth Beach Convention Center to independently evaluate the scope and contents of the Environmental Impact Statement prior to its approval.
  - A Public Notice of the Notice of Intent and Public Scoping Meeting were advertised in newspapers of community wide circulation.
  - An approved Scope Document was provided to the City of Rehoboth Beach on November 24, 2010.

  The following steps have been taken by the Applicant (City of Rehoboth Beach):
  - The City requested DNREC approval to hire Stearns and Wheler / GHD to prepare draft EIS on September 9, 2010. A statement of qualifications was submitted on behalf of Steans and Wheler / GHD. The request approved by DNREC on November 29, 2010.
  - A Draft EIS was prepared by Stearns and Wheler / GHD identifying and evaluating potential viable alternatives to adequately address the range of issues identified in the scoping process. The Draft EIS was received by DNREC on December 15, 2011. After DNREC review, it was made available to all applicable Federal, State, and local agencies and others with an interest in the project on March 7, 2012

  - A public hearing on the Draft EIS was held by the City of Rehoboth Beach on April 10, 2012. The hearing was publicly noticed on March 7 & 11, 2012 and the record was open for 60 days until May 10, 2012. This was the opportunity for all interested parties and the public to question or challenge the report. An independent hearing officer prepared a hearing report in June 2012.

- The City responded to all comments from reviewing agencies, interested parties, and the public and addressed them in the final EIS. A Notice of Availability of Final EIS was published on January 27, 2013. Final EIS subjected to a final 30 day waiting period. Comments were received until February 26, 2013.
- A public hearing on the Draft EIS was held by the City of Rehoboth Beach on April 10, 2012. The hearing was publicly noticed on March 7 & 11, 2012 and the record was open for 60 days until May 10, 2012. This was the opportunity for all interested parties and the public to question or challenge the report. An independent hearing officer prepared a report in June 2012.
- The City responded to all comments from reviewing agencies, interested parties, and the public and addressed them in the final EIS. A Notice of Availability of Final EIS was published on January 27, 2013. Final EIS subjected to a final 30 day waiting period. Comments were received until February 26, 2013.

Environmental Review Continued

The following actions have been taken by the Department:

- The Secretary issued a Record of Decision (ROD) on January 5, 2015 approving Alternative 6, Ocean Outfall as the selected alternative. All mitigative measures specified in the ROD will be included in the loan conditions of a Water Pollution Control Revolving Fund (WPCRF) financing agreement.

The ROD was approved subject to the following condition:

- Therefore, as a condition of this Record of Decision, the City will conduct a storm water evaluation of its catchment areas and collection system that are associated with the existing five (5) outfalls which discharge directly to the Atlantic Ocean. The City will submit a planning-level report to the Department which identifies nonpoint sources of stormwater effluent and options for controlling those sources in order to minimize potential impacts to swimmers, surfers, and other water users within the nearshore area. The report shall include cost effective alternatives for improving stormwater quality, reducing stormwater volume within the collection system, and an evaluation of disposal options, including possible reorientation, reconfiguration, extension, or other upgrades to the outfalls. The stormwater evaluation shall include Engineers Estimates of Probable Construction Costs of the various approaches for improving stormwater quality, reducing quantity, and improving disposal methods. The report shall be completed and provided to DNREC by January 1, 2016.

Ocean Outfall Project Schedule (as prescribed by the Consent Order)

- Outfall Design – February 2015 – November 2015
- Permitting – May 2015 – June 2016
- Bidding Process – June 2016 – December 2016
- Construction – January 2017 – May 2018

Project Budget	
a. Administration	**$650,000**
i. Land, Right of Way	$150,000
ii. Legal	$500,000
b. Engineering	**$2,000,000**
i. Basic	$1,400,000
ii. Project Inspection	$600,000
c. Construction	**$21,200,000**
i Ocean Outfall	$17,000,000
ii. Pump Station and Force Main	$4,200,000
d. Other	**$1,150,000**
e. Contingencies	$0
Total	**$25,000,000**

Clean Water State Revolving Fund Loan $ 25,000,000

City of Rehoboth Beach	**Ocean Outfall**	**W.W. Treatment Plant Upgrade**	**Ocean Outfall & W.W. Treatment Upgrade**
Estimated Project Cost	$25,000,000	$10,488,000	$35,488,000
Loan Amount	**$25,000,000**	**$10,488,000**	**$35,488,000**
Interest Rate	2.00%	2.00%	
Loan Terms Years	25	20	
Annual Debt Service, New Facility	$701,600	$351,360	$1,052,960
Existing Debt Service	$0	$0	$0
Increase in O,M & R	$80,300	$0	$80,300
Existing O,M & R	$879,450	$879,450	$879,450
Total Cost New Facility	**$1,661,350**	**$1,230,810**	**$2,012,710**
Residential Share at 61.9%	**$1,028,376**	**$761,871**	**$1,245,868**
EDU's	2200	2200	2200
Total Estimated Annual Charge Per EDU	**$467**	**$346**	**$566**
Median Household Income	$77,500	$77,500	$77,500
% of MHI	**0.60%**	**0.45%**	**0.73%**

Debt Service, O,M,R Costs, Residential Share and number of EDU's are estimates for the City of Rehoboth Beach only. The estimates are based on the following allocation for the existing costs and proposed projects: City of Rehoboth 55%, Dewey Beach 36%, North Shores 5% and Henlopen Acres 4%

Land Conservation Loan Sponsorship Program or Water Quality Improvement Sponsorship Loan Program

Loan Term (years)	CWSRF Interest Rate	Water Quality Improvement Interest Rate	Water Quality Improvement Loan	Municipal Wastewater Loan	Semi-Annual Debt Service Payment	Life of Loan Debt Service Payment
			$3,316,690	$25,000,000		
25	2.87%	n/a	n/a	$704,152	**$704,152**	$35,207,604
25	**2.00%**	0.000%	$66,334	$637,818	**$704,152**	$35,207,604

The City must submit a CWSRF Project Notice-of-Intent (NOI) for either a LCLP or WQIP Project by January 31, 2016. If the City does not submit an NOI, the City by default will waive their right to use the additional borrowing capacity under the LCLP or WQIP.

If the City, by default waives their right to the additional borrowing under the LCLP or WQIP, they cannot prepay the proposed CWSRF for the term of the loan.

If the City decides to utilize the additional borrowing capacity under the LCLP or WQIP, they must first close the CWSRF loan for the proposed Ocean Outfall Project, before a CWSRF loan can be closed for a LCLP or WQIP project.

If the City decides to use the additional borrowing capacity under the LCLP or WQIP, they cannot prepay the proposed CWSRF loan for the term of the loan.

Terms of Funding

- 25 Year Term, 2.0% Interest Rate
- The Loan is to be a General Obligation Bond secured by the full faith and credit and taxing authority of the City
- Semi-annual interest payments will be due during construction
- Payments will be due semi-annually

Recommendation

The City of Rehoboth Beach is being allowed time to make a decision regarding the additional borrowing capacity under the LCLP or WQILP due to a condition in the Record of Decision for the proposed Ocean Outfall Project. The condition requires the City to conduct a storm water evaluation of its catchment areas and collection system that are associated with the existing five (5) outfalls which discharge directly to the Atlantic Ocean.

Based on the information presented, the Financial Assistance Branch, Office of the Secretary, recommends Council approval and recommendation of the $25.0 million CWSRF for the City's Ocean Outfall Project.

Acting-Chair Bross commended everyone that worked on this project; it has been a very deliberate and thorough process in which the public has been served well.

Motion made by Mr. Medlarz, and seconded by Mr. Burger to approve the funding and recommendation for the City of Rehoboth Beach's Ocean Outfall Project. Motion passed.

Mr. Medlarz stated that he was pleased that the project has come to this point after following it for many years.

Jim Sullivan presented the following:

Surface Water Matching Planning Grants
Award Recommendations (February 2015 submittal)

- $500,000 was made available for Surface Water Matching Planning Grant Projects from the FY 2015 Non-Federal Administrative Account.
- Grants will be used in Delaware's developed landscape to improve water quality through a planning grant to support planning and preliminary engineering/feasibility analysis of surface water projects.
- Eligible Projects: Stormwater retrofits, water quality improvement projects, stream and wetland restoration, and other green infrastructure practices. Development of master plans, or planning toward a community goal for surface water improvements are also eligible. Project applicants must be eligible to apply for SRF funding. A 1:1 cash match is required.
- Program Goals: – Grant applicants were instructed to focus their proposals on one or more of the following program goals:
    - Provide benefits to water quality within an impaired watershed,
    - Planning and/or preliminary design for projects associated with a watershed management plan,
    - Planning and/or preliminary design for of community stormwater management improvements in existing developments and municipalities,
    - Restoration or retrofit projects to provide water quality benefits.
- A press release was issued on January 26, 2015.
- Grant proposals were due on February 27, 2015.
- A review and ranking of the grant proposals was held on April 6, 2015.
- After a detailed review of the 4 grant applications, all were considered eligible and acceptable. The review brought forth some minor issues with some of the projects that will need to be resolved through use of a conditional approval letter with guidance.
- Subject to revisions of grant conditions, focus and deliverables that will incorporate answers to the review panel's questions and concerns (proposals will then be considered project scope of work), the following grants recommendations are offered to the Water Infrastructure Advisory Council for approval.

Grant Applicant Project	Final Ranking	Final Score	Project Cost	Recommended Grant Award	Note
City of Newcastle **Delaware Street "Green Street" Feasibility Study** Feasibility Study and Conceptual Plans for transformation of Delaware Street to a 'Green Street' along with related infrastructure assessments.	1	93	$40,000	$20,000	This project will utilize the City of Philadelphia's *Green Streets Design Manual* as well as DNREC's *Post Construction Stormwater BMP Standards and Specifications.*
New Castle Conservation District **Dunleith / Rose Hill Gardens Drainage and Stormwater Management Planning and Preliminary Engineering Grant Request** The proposed project will focus on stormwater retrofitting the 1950's communities that were designed without provisions for quality or quantity stormwater management.	2	84.75	$96,500	$48,000	The proposed project will comprehensively assess the current drainage, groundwater, tidal and stormwater management conditions.

Grant Applicant Project	Final Ranking	Final Score	Project Cost	Recommended Grant Award	Note
City of Rehoboth Beach **Stormwater Evaluation Study** This study will develop a shortlist of alternatives to improve stormwater quality for Rehoboth Beach's outfalls that discharge directly into the Atlantic Ocean. Each of the short-listed alternatives will have a conceptual design developed and include water quality and quantity benefits, capital and O&M costs.	3	82.5	$157,677	$78,838	Stormwater evaluation of the catchment areas and collection systems associated with the existing 5 outfalls which discharge directly into the Atlantic Ocean.
Town of Laurel **Design of Stormwater BMP and Living Shoreline for "Governor's Park and Independence Playground"** This project is for the design, permit, and provide construction documentation for green infrastructure that will manage stormwater, reduce erosion, and build resilience along Broad Creek in downtown Laurel.	4	80.5	$74,067	$37,034	This project will also evaluate the feasibility of floating wetlands to reduce excess nutrients while providing visual enhancement to the creek.
Totals			$368,244	$183,872	

Mr. Burger commented about the incapability of the Conservation District to pay back. The Conservation District just oversees the project. WIAC should be able to grant a planning grant.

Motion made by Mr. Dvornick, seconded by Mr. Burger to approve the Surface Water Matching Planning Grants. Motion passed.

Surface Water Matching Planning Grant
Request for Extension

Title: **South Wilmington Wetland Park Modeling Project**
Partner: **City of Wilmington**
Contact: Bryan Lennon, Assistant Water Division Director, City of Wilmington
Project Timeframe: 1 year
SWMPG Award: **$50,000**
Requested Action: Request for 6 month Grant Extension
Justification:
1. The City was delayed in getting started on the project.
2. The City is in the process of installing Flow Meters in the ground.
3. The City is proceeding with the Model Calibration and Development
4. The City expects to complete the project in 6 months.

Recommended Action: Extend the grant from April 2, 2015 to a new termination date of October 2, 2015.

Motion made by Mr. Jones, and seconded by Mr. Burger to approve the Request for Extension for the South Wilmington Wetland Park Modeling Project. Motion passed.

Community Water Quality Improvement Grant
Request for Extension

- **Title:** **Historic Penn Farm: A Community Watershed Revitalization Project**
- **Partner:** **Delaware Greenways**
- **Contact:** Steve Borleski
- **Project Timeframe:** 2 years
- **CWQIG Award**: **$101,000**
- **Requested Action:** Request for Project Extension of 1 year
- **Justification:** Since the grant award in June 2013 a preliminary engineering evaluation of the Farm Stand raised concerns about the load bearing capability of a green roof for the existing Farm Stand.. A new stand alone 1000sf green roofed structure,(attached porch designed to be a finished structure) adjacent to the existing Farm Stand will be built.
- **Recommended Action:** Extend the project time line to June 4, 2016 following the below schedule:
    - Initiate Engineering Study of Green Roof — April1 20, 2015
    - Design development meeting — May 15, 2015
    - Finalize Phase 1 stormwater runoff control — June 1, 2015
    - Design of water collection and recharge/reuse system — June 15, 2015
    - Submit design plans to City of New Castle — August 1, 2015
    - Construction begins (3 months) — September 1, 2015
    - Plant/stabilize/monitor roof garden — Fall 2015 / Spring 2016
- **Grant will have a new termination date of June 4, 2016**

Motion made by Mr. Medlarz, and seconded by Mr. Baker to approve the Request for Extension for the Historic Penn Farm Project. Motion passed.

Community Water Quality Improvement Grant
Request for Extension

- **Title:** **Creating a Statewide Model for Quantifying Water Quality Benefits of Trees**
- **Partner:** **City of Wilmington**
- **Contact:** Herbert W. White, Urban Forest Administrator, City of Wilmington
- **Project Timeframe:** 2 years
- **CWQIG Award**: **$50,000**

- **Requested Action:** Request for Project Extension of 1 year

- **Justification:** The extension will allow the City of Wilmington and the Delaware Center for Horticulture to complete one more season of tree planting, tree sales, and tree stewardship training. The extension will also give the City the opportunity to add another year of research to the stormwater mitigation model.

- **Recommended Action:** Extend the grant for an additional year. This grant was given in the 1st year of innovative research (IR) grants. At that time IR were 2 years in length. By extending the grant 1 year it will bring this grant inline with the current 3 year length of IR grants.
- **Grant will have a new termination date of March 12, 2016**

Motion made by Mr. Jones, seconded by Mr. Anderson to approve the Request for Extension for the City of Wilmington. Motion passed.

Heather Warren presented the following:

Drinking Water Matching Planning Grant Requests

City of Newark-Drinking Water Planning Study Phase 1
Total Project Cost: $250,000
Assistance Requested: $100,000
Start Date: June 2015
Completion Date: June 2016
Project Description: Create a GIS database of the of the drinking water system, create and calibrate a drinking water system model, and utilize the model to determine system deficiencies.

Lewes Board of Public Works-Highland Acres Water Extension Planning
Total Project Cost: $60,000
Assistance Requested: $30,000
Start Date: March 2015
Completion Date: December 2015
Project Description: Funds will be utilized for field investigation, geotechnical borings, design, easements, and permitting.

Summary of Drinking Water Planning Grant Account

Starting Balance: $300,000
FEB WIAC meeting approvals: $52,756
APRIL WIAC meeting approvals: $130,000

Remaining Balance: $117,244

Summary of Drinking Water Planning Grant Account by Recipient
Lewes Board of Public Works: $39,831
Town of Smyrna: $42,925
City of Newark: $100,000 (meets cap)

Motion made by Mr. Dvornick, and seconded by Mr. Burger to approve the Drinking Water Matching Planning Grants for City of Newark and the Lewes Board of Public Works. Motion passed.

Mr. Anderson commented that the City of Newark's GIS database and model creation planning study is money put to good use. Hopefully, it will assist in the creation of new projects.

Heather Warren presented the following:

Drinking Water Innovation and Technology Grant

- $50,000 per county with no match
- One recipient per county
- $150,000 total per year from the Non-Fed Admin Account
- DW Sub-Committee will determine recipient based on quality of applications
- All awarded funds must be utilized only for purposes specified by the application
- The project would be a pilot; therefore the recipients must be willing to share: success, information gained, processes, barriers, etc. with all public water systems via the DHSS website with exclusion of personnel and other sensitive material
- Recipient must be willing to present findings to WIAC within one year of grant award
- The project must be innovative or use cutting-edge technology in the drinking water industry
- This should include non-traditional water projects ie: cybersecurity, sonar and echo technology, etc.
- There should be no duplication of effort; ie: similar projects should not be funded
- The recipients must be willing to allow for and promote on-site visits from other drinking water systems
- The recipients must be willing to solicit and encourage participation with middle or high school STEM (Science, Technology, Engineering, Math) groups
- Grant administration will mirror the existing DW Matching Planning Grant
- Applications will be due on October 1
- Guidelines will be based on the DW Matching Planning Grant, but will be amended to best reflect discussion herein

Motion made Mr. Dvornick, seconded by Mr. Anderson to approve the Drinking Water Innovation and Technology Grant. Motion passed.

Greg Pope presented the following:

Proposed
Wastewater/Drinking Water Asset Management Incentive Program

Program Overview:

- **Wastewater and Drinking Water Asset Management Incentive Program** participants can receive funding to develop and implement asset management plans for wastewater and drinking water facilities. The proposed program will be funded from the respective Non-Federal Administrative Accounts of the CWSRF and DWSRF programs.

- To receive financial incentives municipal governments must sign a five year agreement with DNREC/DHSS that will require the development and implementation of system-wide Asset Management Plans for their wastewater and/or drinking water utilities.
- Proposed financial incentives for the development and implementation of Asset Management Plans include the following:
    - ❑ $500,000 annual funding allocation for wastewater and drinking water, respectively
    - ❑ Up to $100,000 No Match Required Grant per municipality to develop and implement an Asset Management Program (up to $200,000 for wastewater and drinking water)
    - ❑ CWSRF and DWSRF Loan Interest Rebates – Up to one-half of the interest paid on new SRF loans will be rebated back for up to five years after project construction has been completed (from loan amortization date)
- The amount of the annual loan interest rebates cannot exceed an agreed upon annual budget for developing and implementing Asset Management Plans.
- Reimbursement occurs only on expenses that are incurred and paid by the grant recipients.
- Annual loan interest rebates can be used to help phase-in residential user rate increases, or pay expenses associated with implementing Asset Management Plans.

Funding Limitations, Priority, and Approval:

- Only Delaware public wastewater and drinking water utilities are eligible to participate in the Asset Management Incentive Program.
- Program Funding Allocations Are Requested Today, to get the program started ($500,000 respectively for wastewater and drinking water).
- Normally - prior to a new fiscal year, the WIAC will set aside a certain amount room the respective CWSRF and DWSRF Non-Federal Administrative Accounts to fund the Asset Management Incentive Programs for the fiscal year. Funds will be used each year until that allocation is exhausted.

- A brief overview of each application that meets the requirements will be presented to the WIAC for approval.

Submission Dates:

- If approved by the WIAC today, applications for the program will be solicited for Council's review and consideration on June 17th.
- Normally, applications will be solicited following the allocation of funds for a state fiscal year. Typically, the applications will be due in July/August time frame. Following the receipt of an application, a meeting will be arranged with the public utility, to include the principal participants (including authorizing representative) and consultant engineers working with the utility.
- Scope of work for consultant engineers must be approved prior to entering into contract agreements (or task orders).

Restrictions:

- Implementation plans and project budgets must be submitted annually and before any reimbursements can be made.
- The Asset Management Plan must be completed no later than the second year after a State Purchase Order has been issued, and then updated annually thereafter. Non compliance may result in the return of all funds by the municipality.

Plan Development and Implementation

- Municipalities may contract with consulting firms using their own procurement procedures; however, the scope of work must be approved by DNREC/DHSS prior to solicitation.
- The Scoping of Work must be consistent with the 5 steps under the EPA Framework for Asset Management:
  - Current State of Assets - What is the current state of my assets?

    You should ask:
    - What do I own?
    - Where is it?
    - What is its condition?
    - What is its useful life?
    - What is its value?

    Best practices include:
    - Preparing an asset inventory and system map.
    - Developing a condition assessment and rating system.
    - Assessing remaining useful life by consulting projected-useful-life tables or decay curves.
    - Determining asset values and replacement costs.

- **Level of Service** - What is my required "sustainable" level of service?

  You should ask:
  - What level of service do my stakeholders and customers demand?
  - What do the regulators require?
  - What is my actual performance?
  - What are the physical capabilities of my assets?

  Best practices include:
  - Analyzing current and anticipated customer demand and satisfaction with the system.
  - Understanding current and anticipated regulatory requirements.
  - Writing and communicating to the public a level of service “agreement” that describes your system’s performance targets.
  - Using level of service standards to track system performance over time.

- **Critical Assets** - Which assets are critical to sustained performance?

  You should ask:
  - How can assets fail?
  - How do assets fail?
  - What are the likelihoods (probabilities) and consequences of asset failure?
  - What does it cost to repair the asset?
  - What are the other costs (social, environmental, etc.) that are associated with asset failure?

  Best practices include:
  - Listing assets according to how critical they are to system operations.
  - Conducting a failure analysis (root cause analysis, failure mode analysis).
  - Determining the probability of failure and listing assets by failure type.
  - Analyzing failure risk and consequences.
  - Using asset decay curves.
  - Reviewing and updating your system’s vulnerability assessment (if your system has one).

- **Minimum Life Cycle Cost** - What are my minimum life-cycle costs?
  You should ask:
    - What alternative strategies exist for managing O&M, personnel, and capital budget accounts?
    - What strategies are the most feasible for my organization?
    - What are the costs of rehabilitation, repair, and replacement for critical assets?

  Best practices include:
    - Moving from reactive maintenance to predictive maintenance.
    - Knowing the costs and benefits of rehabilitation versus replacement.
    - Looking at lifecycle costs, especially for critical assets.
    - Deploying resources based on asset conditions.
    - Analyzing the causes of asset failure to develop specific response plans.
- **Long Term Funding Plan** - What is my best long-term funding strategy?
  You should ask:
    - Do we have enough funding to maintain our assets for our required level of service?
    - Is our rate structure sustainable for our system's long-term needs?

  Some strategies to consider:
    - Revising the rate structure.
    - Funding a dedicated reserve from current revenues (i.e., creating an asset annuity).
    - Financing asset rehabilitation, repair, and replacement through borrowing or other financial assistance.
    - Implementing Asset Management: Follow-up and Continuing Steps:
  - **Plan**: Five core questions framework (short-term), revise asset management plan (long-term).
  - **Do:** Implement asset management program.
  - **Check:** Evaluate progress, changing factors and new best practices.
  - **Act:** Take action based on review results.

Motion made by Mr. Burger, seconded by Mr. Medlarz to approve $500,000 for the Wastewater and $500,000 for the Drinking Water Asset Management Incentive Program. Motion passed.

Mr. Pope clarified that some municipalities can borrow less than $100,000. Applications will be looked at on a case by case basis. It will also be researched if stormwater can be included as requested by Mr. Jones.

ADMINISTRATOR'S REPORTS

Terry Deputy presented the following:

PROJECT UPDATES:

Wilmington – Renewable Energy Biosolids Facility (REBF)
- Construction - 95% complete

Smyrna – North Duck Creek Pump Station and Sewer Facilities Extension
- Construction – 65% complete

Kent County – Murderkill River Wetlands Creation and Nutrient Reduction
- The farm pond is 40% filled in and the site is 30% cleared. Overall project is 16% complete.

Dept. of Parks and Recreation – Cape Henlopen State Park – Sewer Lining Project
- Construction - 100% complete. Final payments pending.

CWSRF AND DWSRF FINANCIAL REPORT

Delaware CWSRF and DWSRF Financial Report
Month Ending March 31, 2015

	CWSRF (Millions of $) Sources of Funds	CWSRF Obligation of Funds	CWSRF Disbursement of Funds	DWSRF (Millions of $) Sources of Funds	DWSRF Obligation of Funds	DWSRF Disbursement of Funds
Actuals Through March 31, 2015						
Source of Funds						
Cap. Grants + State Match - Administrative	$219.439			$167.617		
Transfer of DWSRF Funds + State Match	31.162			(31.529)		
SRF Loan Repayments	119.632			33.508		
NPS Loan Repayments	13.864					
Investment Interest	10.565			2.450		
	394.662			172.046		
Loan Dollars:						
Cap. Grant Loans		$294.678	$285.290		$164.644	$137.709
Non Cap. Grant Loans		15.715	15.715		5.000	5.000
		$310.393	$301.005		$169.644	$142.709
Balance Available for Loans		$84.269	$93.657		$2.402	$29.337
Projected April 1, 2015 Through June 30, 2015						
Source of Funds						
FY 2015 Capitalization Grant + State Match - Ad	$0.000			$0.000		
Transfer from CWSRF to DWSRF	(10.000)			10.000		
SRF Loan Repayments	6.285			1.973		
Investment Interest	0.081			0.019		
	($3.634)			$11.992		
Loan Dollars						
Cap. Grant & Non Cap Grant Loans		$19.674	$2.541		$1.730	$5.722
NPS Loans		0.026	0.026			
		$19.700	$2.567		$1.730	$5.722
FY15 Balance Available for Loans		($23.334)	($6.201)		$10.262	$6.270
Cumulative Balance Available for Loans		$60.934	$87.455		$12.664	$35.608

SUBCOMMITTEE REPORTS

Wastewater: No report.

Surface Water Management: No report

Public Outreach: No report

Finance: Met on Monday, April 13, 2015. Mr. Burger commented that he would like to see the job descriptions of the six positions being paid from the Non-Federal Admin account.

Drinking Water: Mr. Anderson commented that the two matching planning grants and innovative technology grants were reviewed.

PUBLIC COMMENTS: Mayor Cooper thanked the WIAC council for their diligence over the years.

GOOD OF THE COUNCIL: No comments.

MEETING ADJOURNMENT:

Acting-Chair Bross adjourned the meeting at 11:16a.m. Next WIAC meeting is June 17, 2015.