

**State *of* Delaware**

**Wastewater Facilities and  
Storm Water Management  
Advisory Council**



**2005 – Long-Term Wastewater  
Facilities Funding Plan  
FY 2006 – FY 2011**

December 14, 2005

# **State of Delaware**

## **Wastewater Facilities and Surface Water Management Advisory Council**

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### **Cover**

Upper left – construction in the South Coastal Regional Wastewater Facility, Sussex County, Delaware, October 2005, financed with a WPCRF low interest loan.

Bottom right – construction of a pump station, Bay View & Sea Country Estates, Sussex County, Delaware, July 2005, financed with a WPCRF low interest loan and a Wastewater Management Account Grant.

# 2005 - LONG-TERM WASTEWATER FACILITIES FUNDING PLAN FY 2006 - FY 2011

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# 2005 - LONG-TERM WASTEWATER FACILITIES FUNDING PLAN FY 2006 - FY 2011

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## EXECUTIVE SUMMARY

Highlights of the tenth (10<sup>th</sup>) annual long-term funding plan include the following:

### **BACKGROUND**

- \$142.6 million in federal capitalization grants and state match have been applied for and/or received by the Delaware Water Pollution Control Revolving Fund;
- \$73.1 million in 21<sup>st</sup> Century Funds have been allocated for wastewater facility planning and low interest loans and grants;
- \$169.4 million in low-interest loans have been obligated for wastewater projects; and
- \$44.0 million in grants has been obligated to help make wastewater projects affordable.

### **CONCLUSIONS**

- \$128.7 million in future projects need funding thru 2011;
- Available sources of grant funds are insufficient to offset the high costs of new sewer projects or to enhance existing wastewater treatment facilities to meet new water quality stan-

dards; and

- \$53.4 million is needed for additional loans and grants to make the projects affordable to moderate and low-income users over the next six years.

### **RECOMMENDATIONS**

- That \$1 million be provided to match a \$4.5 million Federal capitalization grant in FY-07; and
- That \$9 million be provided in FY-07 for additional loans and grants to make projects affordable to moderate and low income users; and
- That the State apply for and make the best possible use of federal funds that may be available for wastewater infrastructure projects; and
- That legislation be enacted that will provide a stable source of funding to be used to provide low interest loans and grants to help make future wastewater projects affordable.

# 2005 - LONG-TERM WASTEWATER FACILITIES FUNDING PLAN FY 2006 - FY 2011

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## INTRODUCTION

The Wastewater Facilities and Surface Water Management Advisory Council is established in Delaware Code, Title 29, Chapter 80, §8011(a). The 137<sup>th</sup> General Assembly approved the initial enabling legislation as House Bill No. 570 and Governor Carper signed the bill into law on July 7, 1994. The 143<sup>rd</sup> General Assembly approved legislation expanding the Council's roles to include surface water management as House Bill No. 239 and Governor Minner signed that bill into law on August 17, 2005.

*A specific duty of the Council is to Aevaluate, establish, recommend, and adopt a long-term plan for funding wastewater facility capital projects that shall cover a period of not less than 6 years. The plan shall be updated and prioritized on an annual basis and be incorporated in the Department's (Department of Natural Resources and Environmental Control) annual capital budget request to the Governor. A copy of the adopted plan shall be submitted to the members of the General Assembly on or before November 15 of each year.≡*

The long-term funding plan described herein (FY 2006 thru FY 2011) is the tenth (10<sup>th</sup>) annual plan to be adopted by the Council. The plan in-

corporates a process for prioritizing and ranking wastewater projects based on water quality and environmental criteria and allocates current and anticipated funding from the Water Pollution Control Revolving Fund and the 21<sup>st</sup> Century Fund Wastewater Management Account to specific projects.

State investment in wastewater projects and other water pollution control facilities will continue to be through loans, which must be repaid to provide a continuing (revolving) source of funds, and grants. The determination of the use of loans and/or grants for wastewater projects will be contingent upon the affordability of the project (i.e., resultant annual user charges are targeted to not exceed 1½ % of median household income (MHI) when the wastewater facility begins operations). If the estimated project cost for a wastewater facility will increase the annual user charge above 1½ % of the MHI for a community, innovative loan terms (e.g., debt service deferral and/or lower interest rate and/or a longer repayment period) or grants may be used to assist in lowering annual user charges.

## FUNDING WASTEWATER FACILITY PROJECTS

Funding the construction, upgrade, and repair of Delaware's wastewater facilities over the next six years will require the utilization of federal, state, local, and private funding sources. Coordinating available funding for wastewater projects has been successful in the past and is expected to continue in the future. The Council has authority to make project funding recommendations only for the Water Pollution Control Revolving Fund and the Wastewater Management Account portion of the 21<sup>st</sup> Century Fund. Therefore, this funding plan will reflect only those wastewater

projects that have indicated an interest in obtaining funding from the Water Pollution Control Revolving Fund or the Wastewater Management Account or those projects that the Council anticipates may apply for funding from the Water Pollution Control Revolving Fund or the Wastewater Management Account. Note that all funding expenditures and commitments are as of July 1, 2005.

## FEDERAL FUNDING SOURCES

Major sources of federal funding for wastewater infrastructure projects are the clean water state revolving fund, the rural utility services program, matching grants for wet weather flows, and line item appropriations for special projects in the US Environmental Protection Agency's budget. An explanation of the various programs follows:

**Clean Water State Revolving Fund:**

Under Title VI of the Federal Clean Water Act, capitalization grants are awarded to states which, when combined with a required twenty percent state match, establish a state water pollution control revolving fund. From this fund, states can provide loans to eligible agencies, such as local governments, for the construction, upgrade, and repair of wastewater treatment facilities. Loan repayments then provide a continuing source of capital to finance future water pollution control projects.

The Delaware General Assembly created the Delaware Water Pollution Control Revolving Fund in 1990 in order to facilitate self-sufficiency for wastewater facility financing at the State and local levels. Since that time, the Fund has been awarded thirteen (13) federal capitalization grants, and the required twenty percent state match has been appropriated through the State Bond Bill and the 21<sup>st</sup> Century Fund. Federal and State funds received for the Fund total \$120.8 million. The Fund presently has capitalization grant applications pending from the US Environmental Protection Agency that, along with the State match, total \$21.8 million. It is anticipated that the Fund will receive six (6) additional federal capitalization grants (\$29.2 million net combined federal and state funds) through the year 2011, which will bring the Fund's total capitalization to \$171.8 million.

To date the Fund has closed or is in the process of closing 35 municipal loans totaling \$156.1 million as shown in Appendix I.

Additionally, the Fund makes loans for approved expanded use activities (septic system rehabilitation, poultry and dairy manure management, leaking underground storage

tank groundwater remediation, and approved non-point source practices that protect waters). There have been 943 loans to date for these activities totaling \$11.2 million as shown in Appendix II.

A financial summary of the Fund shows that \$88.9 million is available for additional loans for the planning period of FY 2006 – FY 2011 as shown in Table 1.

Table 1	<u>Millions</u>
Federal capitalization grants plus state match (1989-2002)	\$ 120.8
Federal capitalization grants plus state match (2003, 2004 & 2005)	\$ 21.8
Federal capitalization grants plus state match (2006-2011)	\$ 29.2
Loan repayments (1989-2005)	\$ 31.9
Loan repayments (2006-2011)	\$ 45.9
Investment interest earned (1989-2005)	\$ 4.1
Investment interest (2006-2011)	\$ 2.5
Total WPCRF Funds (1989-2011)	\$ 256.2
Loans made (1989-2005)	\$ 157.5
Loans pending (2005)	\$ 9.8
Total WPCRF Loans (1989-2005)	\$ 167.3
Total WPCRF Funds Available (2006-2011)	\$ 88.9

**State and Tribal Assistance Grants (STAG):**

STAGs are line item appropriations in the Environmental Protection Agency's budget that are designated for specific projects. In 2001, the Council called upon Delaware's Congressional delegation to request STAGs for Delaware wastewater projects. Since

then, Congress has appropriated \$7.9 million for Delaware projects as follows:

City of Lewes - \$1 million for wastewater treatment improvements.

Sussex County - \$1.2 million for West Rehoboth expansion of the Dewey Beach Sanitary District.

Town of Millsboro - \$2 million to eliminate the Town's discharge into the Inland Bays by constructing need wastewater infrastructure.

City of Harrington - \$0.9 million for wastewater treatment plant improvements for nutrient removal.

Town of Bridgeville - \$0.9 million wastewater treatment plant infrastructure that will eliminate its discharge wastewater during spring, summer, and fall.

City of Wilmington - \$1.1 million for wastewater infrastructure improvements related to CSO 27.

City of Wilmington - \$0.6 million for wastewater infrastructure improvements related to CSOs

Sussex County - \$0.2 for wastewater infrastructure improvements to the Ocean View SSD.

### **Wet Weather Water Quality Grants (WWWQG):**

WWWQGs provide funds to municipalities for the planning, design, and construction of treatment works to intercept, transport, control, or treat municipal combined sewer overflows (CSO) and sanitary sewer overflows (SSO). Projects must be on the State's project priority list to qualify for a 55% matching grant. To date, Congress has not appropriated funds for this program.

### **Department of Agriculture - Rural Utility Services (USDA-RUS):**

The USDA, through its Rural Utility Servic-

es program, makes loans and grants for wastewater facility construction in Delaware. These loans and grants are usually targeted to economically distressed areas and have matched funds from the WPCRF and 21<sup>st</sup> Century Fund in prior years. This program provides approximately \$6 million per year of funding for wastewater projects in Delaware.

## **STATE FUNDING SOURCES**

A total of \$73.1 million has been appropriated in Delaware's 21<sup>st</sup> Century Fund for wastewater planning and infrastructure. Three accounts have been established to manage these funds:

### **Infrastructure Planning Account:**

The Infrastructure Planning Account provides financial assistance for communities to develop needed wastewater plans. \$925,000 was set-aside for wastewater planning grants for municipal wastewater utilities subject to a 50/50 match. Municipalities with wastewater utilities are eligible to receive up to 50 percent of planning project costs up to \$20,000 for long-range wastewater facility plans, up to \$12,000 for general wastewater plans, and up to \$100,000 for regional wastewater facility plans. Grants are awarded on a continuing basis based upon the evaluation of the planning grant application and supporting documentation.

To date, seven (7) long-range wastewater facility planning grants have been awarded totaling \$94,899 and seventeen (17) general and regional wastewater facility planning grants have been awarded totaling \$710,613. The Infrastructure Planning Account has a balance of \$119,488 available for additional wastewater facility planning grants.

### **Wastewater Management Account:**

A total of \$56.6 million has been allocated to the Wastewater Management Account. This account was established to enhance current and anticipated Water Pollution Control Revolving Fund capabilities. The emphasis is to fund projects with loans, while supple-

menting projects with grants where needed to make projects affordable according to established MHI affordability criteria. Assistance is also available to fund projects that are desirable and necessary, but that are otherwise limited or restricted for funding through existing or future federal programs. Sub-accounts established within the Wastewater Management Account are as follows:

**Affordable Sewer Grants** - In the FY-99 Bond Bill, the General Assembly provided that \$2.5 million be set-aside for Ellendale and West Rehoboth to provide for affordable sewers. Of the \$2.5 million, \$1.5 million was allocated to Ellendale and \$1 million to West Rehoboth. The \$1.0 million has been placed in an interest-bearing account the proceeds from which are being used to make grants to low income residents of West Rehoboth that need assistance in paying their sewer bills. In the FY-00 Bond Bill, an additional \$50,000 was set-aside to provide affordable sewers in West Rehoboth. To date, 2,948 grants have been awarded from the Assisted Sewer Allowance Program for a total of \$145,584.

**Supplemental Grants** - These funds are intended as gap funding for projects that would otherwise be unaffordable. The use of these funds is dedicated to the following:

- N municipal systems for needed wastewater systems where the project would otherwise raise user rates above affordable levels;
- N municipalities to institute preferred wastewater management technologies/actions which meet the State's environmental goals; and
- N other needed wastewater projects which could not have otherwise been funded.

Supplemental Grants totaling \$44.0 million, that have been awarded or are in the process of being awarded, are shown in Appendix III.

**Revolving Loan Fund** - These funds provide

a source for low interest loans to enhance

and supplement public and private wastewater financing. Monies repaid to the fund will be loaned out again to continue to enhance and supplement public and private wastewater financing. Projects that are on the current year Project Priority List but that can not be funded from the Water Pollution Control Revolving Fund will be considered for funding from this Fund. To date, loans totaling \$4.5 million have been awarded as shown in Appendix IV.

**Septic Rehabilitation Loan Extended Funding Options** - These funds provide a source of low interest loan and/or grants as gap funding when monies are needed by low income families to replace or rehabilitate septic systems and no other source of funding exists. This revolving account was established in FY-01 with a total of \$360,000 and due to its success, was supplemented with \$250,000 in FY-03. As of June 30, 2005, twenty-six (26) loans totaling \$279,147 and eighteen (18) grants totaling \$192,421 have been awarded. Loan funds repaid are available for additional loans and/or grants. Funds available in this account total \$234,549.

**Special Fund Account:**

A total of \$15.6 million has been allocated to the Special Fund Account to be used to match federal assistance from the Clean Water Act for state revolving fund wastewater capitalization grants to secure \$78 million in federal funding.

A summary of the 21<sup>st</sup> Century Fund Wastewater Management Account is shown in Table 2.

Table 2	Allocation	Available
Infrastructure Planning Account	\$ 925,000	\$ 119,488
Wastewater Management Account	\$56,607,000	\$ 9,386,135
Special Fund Account	\$15,600,000	\$ 1, 777,593
Total	\$73,132,000	\$10,283,217



## **Wastewater Supplemental Funding**

In October 2001, the Council held a workshop to identify a stable source of funds for supplemental funding for future wastewater facility projects and to identify a strategy for promoting Council recommendations to the Governor and General Assembly. Sources of funding were discussed are as follows:

- Surcharge for each connection to a public water supply
- Surcharge for each connection to a wastewater collection system
- Surtax on each property tax bill
- Surtax on each building tax bill
- Surcharge based on potable water consumption
- Surcharge on each water well permit issued
- Surcharge on each septic system permit issued
- Drinking water connection impact fee
- Wastewater connection impact fee
- Real estate transfer tax
- Tax increment financing

After subsequent discussions and meetings, a property tax surcharge of \$0.05 per \$100 of assessment was agreed upon as the most equitable option. This would generate an estimated \$10.9 million annually for a wastewater supplemental funding program. (At this rate a property assessed at \$50,000 would pay \$25 per year into the wastewater supplemental funding program.) These options were discussed, briefly, with members of the Governor's immediate staff. Due to the difficult economic conditions that were prevalent in 2001-2002, they did not feel that it was a good time to move forward with such a proposal. Providing supplemental funding for future wastewater projects should be considered essential to achieving the goals of Livable Delaware.

In 2004, the Maryland General Assembly approved, and the Governor signed, legislation that imposes a "flush tax" in the amount of \$2.50 per month per dwelling unit that will be used to provide funds for capital wastewater facility projects. Maryland is providing 50% matching grants for projects that provide Biological Nutri-

ent Removal (BNR) and 100% grants for projects that provide Enhanced Nutrient Removal (ENR) – effluent nitrogen levels less than 3 mg/l.

## **LOCAL FUNDING**

Traditional local funding sources include user rates, connection fees, impact and tapping fees, bank loans, and municipal bonds.

### **User Rates and Connection Fees:**

User rates and connection fees should be sufficient to pay for the labor, materials, utilities, equipment accessories, and other items necessary to manage and maintain a wastewater system and to provide the service for which the system was designed. Additionally, they should include an amount to pay off capital debt and possibly set aside an amount for future capital projects. Most wastewater utilities in Delaware charge user rates that collect sufficient revenue to pay operating and maintenance costs. However, few wastewater utilities charge user rates sufficient to allow the utility to set funds aside for future capital costs.

### **Impact and Tapping Fees:**

Impact and tapping fees should be sufficient to recover the incremental cost of capital improvements made and paid for prior to a new user connecting to the system. While most wastewater utilities impose an impact or tapping fee, few utilities fully collect the fair share of the cost of the prior capital improvements. This is an area where those wastewater utilities facing significant growth should look to enhance revenues.

### **Capital Funding:**

Typically, municipalities obtain financing for wastewater projects by borrowing from banks or issuing revenue bonds. Presently, only eleven (11) of twenty-two (22) municipal wastewater utilities have bond ratings that would allow them to issue revenue bonds. As of June 30, 2005, the market rate for a AA municipal bond was 3.94% while bank loan rates were in excess of 6%.

## PROJECT PRIORITY LIST

Wastewater projects are considered for funding from an annual Project Priority List (PPL) that ranks projects according to water quality and state priorities criteria. The first step in the preparation of a PPL is the notification of all potential participants that they need to file a Notice-of-Intent (to apply for a loan from the revolving fund). This is done annually in January. A multi-discipline team then evaluates the projects submitted as follows:

**“Water Quality Protection”** is the category that evaluates a proposed project based on the total pounds of nitrogen and phosphorus that will be removed from discharges as a result of the completion of the project.

**“Targeted Waterbodies”** is the category that takes into account the impact a project will have on Total Maximum Daily Loads (TMDLs). TMDLs establish the maximum point and non-point source loadings of certain pollutants that must not be exceeded if surface water quality goals are to be met. A project that is in a watershed for which TMDLs have been established will receive a higher score.

**“Wastewater Facility Priorities”** is the category that establishes the priority of various types of wastewater facility projects. Septic system elimination projects are given the highest score.

**“Strategies for State Policies and Spending”** is the category that integrates wastewater projects with Shaping Delaware's Future. Projects in communities, urban centers and employment centers receive the highest score while projects in rural areas receive the lowest score.

Water Quality Protection.....	45 pts
Targeted Waterbodies.....	15 pts
Wastewater Facility Priorities.....	30 pts
Strategies for State Policies and Spending.....	<u>10</u> pts
Total Priority Score.....	100 pts

Wastewater projects are considered for funding

in priority order based on a project's ranking on the Project Priority List. Projects on the PPL are **Aby-passed** only if the applicant is unwilling or unable to proceed with the project when funds become available. When a project is by-passed, the applicant must resubmit the project for consideration for the next annual PPL for the project to receive financing from the Water Pollution Control Revolving Fund or the 21<sup>st</sup> Century Fund.

## WASTEWATER FACILITY NEEDS

### Wastewater Facility Needs by Project :

This Long-Term Plan is a working document based on actual proposed wastewater facility projects and is updated annually to reflect projects being considered for funding. A summary of proposed projects that may request financial assistance from the Water Pollution Control Revolving Fund or 21<sup>st</sup> Century Fund during the next six years is show in Table 3. Two (2) projects totaling \$40.7 million contribute directly to achieving TMDLs. Four (4) projects totaling \$21.6 million are for septic system eliminations that would also contribute to achieving TMDLs, but to a lesser degree than a point discharge elimination project. Eleven (11) projects totaling \$64.9 million are for collection system or treatment facility capacity upgrades. It should be noted that not all of these projects may actually result in loans from the Fund which may lessen the demand on the Fund.

### Wastewater Facility Needs by Source of Funds:

Notices-of-Intent to apply for project funding in 2006 requested \$73.5 million in loans from the Water Pollution Control Revolving Fund, \$53.4 million in grants from the 21<sup>st</sup> Century Fund, and \$1.8 million in federal State and Tribal Assistance Grants. Potential requests for funding, based on source of funding, i.e. WPCRF loan, 21<sup>st</sup> Century Fund grant, or federal matching grant, and for each of the six years in the planning period are show in Table 4.

<b>Table 3 - Wastewater Facility Needs by Project 2006 – 2011</b>		
Municipality	Project	Project Cost
Milton, Town of	Wastewater Treatment, Collection, and Transmission Improvements	\$19,100,000
State-Wide	Non-Point Source Programs	\$1,500,000
Seaford, City of	City-wide Sewer System Upgrades	\$1,618,486
Sussex County	Millville SSD Expansion phase IA	\$3,600,000
Millsboro, Town of	Wastewater disposal facilities	\$9,100,000
Bridgeville, Town of	Augmentation Land Lease & Lagoon Enlargement	\$991,000
Bridgeville, Town of	Misc Sewer Improvements for I&I Removal	\$586,100
Lewes, City of	City-wide Sewer System Improvements	\$1,789,600
Sussex County	SCRWF - WWF Operations & Maint. Building & Renovations	\$2,600,000
Seaford, City of	WWTP Expansion	\$11,597,600
Sussex County	West Rehoboth Expansion of the Dewy Beach SSD - Treatment Expansion	\$20,000,000
Sussex County	Millville SSD Expansion phase II	\$3,900,000
Sussex County	Millville SSD Expansion phase IB	\$5,400,000
Georgetown, Town of	Spray Irrigation Augmentation or other Disposal Option	\$990,500
Lewes, City of	WWTF Effluent Disposal System - Nutrient Trading	\$2,774,490
Sussex County	Fenwick Island SSD SR 54 Transmission System Upgrade	\$2,900,000
Sussex County	Millville SSD Expansion phase III	\$8,700,000
Rehoboth, City of	Ocean Outfall/L-R Canal Point Discharge Elimination	\$31,600,000
	Total	\$128,747,776

<b>Table 4 - Wastewater Facility Needs by Source of Funds 2006 - 2011</b>			
Fiscal Year	WPCRF	21st CF WMA	Federal
2006	\$33,548,139	\$5,537,047	\$1,800,000
2007	\$23,360,825	\$24,201,765	\$0
2008	\$8,700,000	\$0	\$0
2009	\$0	\$0	\$0
2010	\$7,900,000	\$23,700,000	\$0
2011	\$0	\$0	\$0
Total	\$73,508,964	\$53,438,812	\$1,800,000

# 2005 - LONG-TERM WASTEWATER FACILITIES FUNDING PLAN FY 2006 - FY 2011

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## CONCLUSIONS

- 1) Congress has extended federal funding for capitalizing the state revolving fund portion of the Clean Water Act. Funding was to have ended in 2001. However, it is now expected to be available thru 2011. This means additional capitalization grants for the Water Pollution Control Revolving Fund totaling \$25.5 million. Each federal grant is required to be matched with 20% state funds. Over the next six (6) years the State will need to provide \$4.25 million in matching funds in order to secure the additional \$21.25 million in Federal capitalization funds.
- 2) With the continued capitalization of the Water Pollution Control Revolving Fund, sufficient funds will exist to provide low interest loans for all wastewater projects for which loan funds have been requested over the six (6) year period included in this Long-Term Plan.
- 3) Existing sources of grant funds are insufficient to meet the need to provide affordable wastewater facilities. To be affordable, that is for users of wastewater facilities to pay wastewater user rates that are less than 1½% of their median household income, many of the projects presented in this Long-Term Plan are going to need, in addition to creative financing such a deferred payments, reduced interest rates, extended payment periods, etc., substantial grants. For projects that provide new sewer systems or enhance existing wastewater treatment facilities to meet new water quality standards, grant requests often exceed 50% of the total cost of a project. \$53.4 million is needed over the six (6) year period included in this Plan to make wastewater facilities affordable for everyone.

## RECOMMENDATIONS

- 1) The Council recommends that the Governor and the General Assembly provide \$1 million per year thru 2011 to match future clean water state revolving fund capitalization grants from the federal government.
- 2) The Council recommends that the Governor and the General Assembly provide \$9 million per year to be used to provide low interest loans and grants to make future wastewater projects affordable to low and moderate income users.
- 3) The Council also recommends that the Governor, the General Assembly, and the Secretary apply for and make the best possible use of federal funds that may be available for wastewater infrastructure projects.
- 4) Finally, the Council recommends that the General Assembly enact and that the Governor sign legislation that will provide a stable source of funding to provide low interest loans and grants to make future wastewater projects affordable.

## Appendix I

### Water Pollution Control Revolving Fund Loans 1994-2005

Municipality	Project	Revolving Fund Loan	Status
City of Wilmington	WWTP upgrade	\$ 20,000,000	Complete
Sussex County	West Rehoboth Phase I & II sanitary sewers	\$ 17,000,000	Complete
Kent County	Trunk main upgrade	\$ 3,914,918	Complete
Sussex County	West Rehoboth Phase III sanitary sewers	\$ 9,989,719	Complete
City of Seaford	WWTP upgrade	\$ 8,216,930	Complete
Town of Laurel	WWTP upgrade and sewer extension	\$ 2,000,000	Design
City of Dover	Dover Downs Pump Station replacement	\$ 750,000	Complete
Camden-Wyoming SWA	Force main extension for Southern District	\$ 354,652	Complete
Sussex County	Holts Landing, Ocean View, & Cedar Neck sanitary sewers	\$ 13,752,100	Complete
Kent County	Kenton sanitary sewers	\$ 375,000	Complete
Kent County	Northeast (Liepsic) sanitary sewers	\$ 100,000	Complete
Sussex County	Ellendale sanitary sewers	\$ 1,726,000	Complete
Sussex County	Oak Orchard sanitary sewers	\$ 2,703,000	Construction
City of Milford	Sewer line extensions	\$ 1,700,000	Complete
Town of Milton	WWTP upgrade	\$ 461,433	Complete
Town of Delmar	WWTP headworks & phosphorus removal	\$ 1,293,250	Design
Kent County	Bowers Beach SSD force main	\$ 392,400	Complete
Sussex County	SCRWF upgrade from 6 to 9 mgd	\$ 13,000,000	Construction
Sussex County	Miller Creek sanitary sewers	\$ 3,300,000	Design
Sussex County	Bay View and Sea Country sanitary sewers	\$ 2,636,000	Construction
Town of Selbyville	Upgrade to collection system and WWTP	\$ 3,100,000	Construction
Town of Bridgeville	Upgrade to WWTP and land application	\$ 2,700,000	Design
City of Harrington	Upgrade to WWTP and land application	\$ 600,000	Pending
Town of Millsboro	Upgrade to WWTP	\$ 4,200,000	Design
Sussex County	Inland Bay WWTF – land acquisition	\$ 10,000,000	Complete
Town of Georgetown	Expand WWTP	\$ 2,600,000	Design
Town of Georgetown	Collection system upgrades & expansion	\$ 4,600,000	Design

**Water Pollution Control Revolving Fund Loans  
1994-2005 (continued)**

Municipality	Project	Revolving Fund Loan	Status
Town of Laurel	Upgrade to WWTP	\$ 2,841,680	Design
City of Lewes	WWTP and system upgrades	\$ 12,600,000	Design/Bid
City of Milford	Downtown sewer system upgrades	\$ 4,400,000	Design
Sussex County	S. Ocean View sanitary sewers	\$ 4,800,000	Design
Total		\$ 156,107,082	

**Appendix II**

**Water Pollution Control Revolving Fund  
Non-point Source Activity Loans  
1994-2005**

Expanded Use Non-Point Source Activity	Number of Loans	Loan Amounts
Septic System Rehabilitation	315	\$ 5,361,406
Poultry Manure Management	585	\$ 4,631,435
Dairy Manure Management	39	\$ 770,224
Leaking Underground Storage Tanks	4	\$ 473,916
Total	943	\$ 11,236,981

## Appendix III

### 21<sup>st</sup> Century Fund Wastewater Management Account Grants 1994-2005

Municipality	Project	21 <sup>st</sup> Fund Grant Amount	Status
City of Seaford	Interest rate subsidy to assist in making a loan affordable.	\$ 500,000	Approved
City of Harrington	Provide affordable wastewater service to the Town of Farmington	\$ 295,000	Complete
Sussex County	Provide affordable wastewater service to the proposed Ellendale sanitary sewer district.	\$ 3,814,000	Complete
Sussex County	Provide user rate subsidies for West Rehoboth.	\$ 1,050,000	Ongoing
Kent County	Provide affordable wastewater service to the Northeast Sanitary Sewer District (Leipsic)	\$ 1,885,952	Complete
Kent County	Provide affordable wastewater service to the Town of Kenton	\$ 2,226,350	Complete
Town of Georgetown	Upgrade wastewater treatment plant to meet new water quality standards for the Inland Bays	\$ 3,252,000	Complete
Sussex County	Provide affordable wastewater service to Ocean View and Cedar Neck	\$ 5,450,000	Complete
Town of Delmar	Provide affordable wastewater service to the Holly Oak mobile home park	\$ 186,771	Complete
City of Seaford	Elimination of combined sewers	\$ 600,000	Complete
Sussex County	Provide affordable wastewater service to the Oak Orchard SSD	\$ 4,470,000	Construction
Sussex County	Provide affordable wastewater service to the Pinetown community	\$ 218,379	Design
Kent County	Upgrade the Bowers Beach SSD force main	\$ 208,200	Complete
Sussex County	Provide affordable wastewater service to the Miller Creek SSD	\$ 2,450,000	Design
Sussex County	Provide affordable wastewater service to the Bay View/Sea Country SSD	\$ 1,500,000	Construction
Town of Bridgeville	Upgrade WWTP and land application of effluent	\$ 710,000	Design
City of Harrington	Upgrade WWTP and land application of effluent	\$ 710,000	Pending
Sussex County	Inland Bay WWTF – land acquisition	\$ 3,000,000	Complete
Town of Georgetown	Collection system upgrades & expansion	\$ 2,500,000	Design

**21<sup>st</sup> Century Fund Wastewater Management Account Grants  
1994-2005 (continued)**

Town of Laurel	Upgrade WWTP for BNR	\$ 1,550,000	Design/Bid
Town of Laurel	Broad Creek crossing replacement - emergency	\$ 1,035,000	Construction
Sussex County	S Ocean View – sanitary sewers	\$ 2,850,000	Design
Kent County	Provide affordable wastewater service to the Town of Hartly, Forrest Grove, and surrounding area.	\$ 3,500,000	Design
		<hr/>	
		Total	\$ 43,961,652

**Appendix IV**

**21<sup>st</sup> Century Fund Wastewater Management Account Loans  
2001-2005**

Municipality	Project	21 <sup>st</sup> Fund Loan Amount	Status
Sussex County	Provide affordable wastewater service to the Ellendale Sanitary Sewer District	\$ 1,000,000	Complete
Kent County	Provide affordable wastewater service to the Northeast Sanitary Sewer District (Leipsic)		Cancelled
Kent County	Provide affordable wastewater service to the Town of Hartly, Forrest Grove, and surrounding area.	\$ 3,500,000	Design
		<hr/>	
		Total	\$ 4,500,000

To be sent to:

**Governor**

**Lt Governor**

**Secretary of DNREC**

**Water Resources Director**

**Secretary of Finance**

All members of the General Assembly

NOI List

cc: WFAC members

Dear

In accordance with the provisions of 29 Del. C. Chapter 80, §8011(f)(1), enclosed is the Wastewater Facilities Advisory Council's A2004 - Long Term Wastewater Facilities Funding Plan that covers the period FY 2005-FY 2010. This plan received public comment at the Council's meeting on September 8, 2004 and was also approved by the Council at that meeting.

The Plan outlines \$196.6 million in wastewater infrastructure projects over the next six years. It recommends that the General Assembly provide \$10 million per year, to be used to make low interest loans and grants to help keep these projects affordable for the users and \$1.3 million to match future capitalization grants from the federal government and that the General Assembly enact and that the Governor sign legislation that will provide a stable source of funding to be used to provide low interest loans and grants to help make future wastewater projects affordable.

I would appreciate the opportunity to discuss the plan with you at your convenience.

Respectfully submitted;

Joseph J. Corrado  
Chairman

Cc: Wastewater Facilities and Surface Water Management Advisory Council

# MEMORANDUM

To: Wastewater Facilities Advisory Council

From: Alan Farling

Date: August 23, 2004

RE: 2004 – Long-Term Wastewater Facilities Funding Plan

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Enclosed is a DRAFT of a 2004 – Long-Term Wastewater Facilities Funding Plan. This will be on the agenda for the September 8 meeting for the Council's consideration. A report is due to the Governor, General Assembly, and Secretary no later than November 15, 2004.

Please pay particular attention to the Conclusions and Recommendations on page 10.

Please feel free to call me at 739-5081 if you have questions about the report.