

DEQ Grant and Loan Opportunities

Funding Opportunities

- State Revolving Fund
- Drinking Water Revolving Fund
- Strategic Water Quality Initiative Fund (SWQIF)
- Stormwater, Asset Management and Wastewater Program (SAW) Grants and Loan Program

Applicant Eligibility

- Borrower must be a “municipality”
 - City, Village, Township, Authority, or other public body created by state law
- Applicant must have the authority under state law to incur debt and collect funds
- Investment grade credit rating

State Revolving Loan Fund

- Low interest loans for construction of water pollution control facilities and nonpoint source control projects
 - 2.5% 20-year, 2.75% 30-year loans
- To date, \$4.5 billion for 558 loans
- Project Plans due July 1

SRF Eligible Projects

- Wastewater treatment system improvements
- Collection system improvements
 - Excessive inflow/infiltration removal
 - Major rehabilitation of structurally-deficient sewers
 - Pump station improvements
- Replacement of failing on-site septic systems

SRF Eligible Projects

- Nonpoint source pollution control projects
 - Infiltration practices
 - Streambank stabilization
 - Pollutant control units
- Implementation of approved watershed management plans

SRF NPS Eligibility

- **Approved 319 or CMI watershed management plan**
 - Project related to and consistent with plan's recommendations
- **Consistent with Michigan's 319 Management Plan**
- **In MS4 communities, project cannot be required by the permit**
 - Must intercept and infiltrate, hold or treat storm water prior to entering system, or reduce the amount of stormwater in the MS4
- **Project addresses water quality and NPS pollution**

Drinking Water Revolving Fund

- Low interest loans to water suppliers to satisfy the requirements of the Safe Drinking Water Act
 - 20 and 30 year loans at 2.5%
- 279 projects funded to date for \$863 million
- Project plans due May 1

Green Project Reserve

- Principal Forgiveness for “green” projects
 - Energy Efficiency
 - Reduce energy consumption or use energy in a more efficient way
 - Produce/utilize renewable energy
 - Water Efficiency (DWRF projects)
 - Green Infrastructure
 - Environmentally Innovative

Strategic Water Quality Initiatives Fund

- Low interest loan financing for projects to remove groundwater or stormwater from sanitary sewer leads
- To date, the SWQIF program has provided low interest loans to 21 projects, totaling \$24 million.
- Project Plans due July 1

SAW Grants and Loan Program

- \$450 million available – 673 applications totaling \$541 million received the first day
- Awarded \$22.3 million for 3 loans
- Three rounds of grants awarded to 342 communities totaling \$291 million
- Working through the list of original applications, prioritized through a lottery draw



SRF Program Changes

Fiscal Sustainability Plans

- Applies to all projects that include repair, replacement or expansion
- Does NOT apply to NPS or new treatment plan construction projects
- Applicants self-certify compliance

FSP Requirements

- Inventory of critical assets
- Evaluation of the condition and performance of inventoried assets
- Financial plan for maintaining, repairing and replacing assets
- Can be project-based
- Stand-alone document not required

Energy and Water Efficiency

- Borrower should certify that they have evaluated and are implementing water and energy efficiency initiatives as part of FSP
- Both energy assessments and audits are eligible for funding as part of SRF project

Energy and Water Efficiency Tools

- [EPA Energy Use Assessment Tool](http://water.epa.gov/infrastructure/sustain/energy_use.cfm)
http://water.epa.gov/infrastructure/sustain/energy_use.cfm
- [EPA WaterSense Program](http://www.epa.gov/watersense)
<http://www.epa.gov/watersense>
- [EPA Water Conservation Plan Guidelines](http://www.epa.gov/watersense/pubs/guide.html)
<http://www.epa.gov/watersense/pubs/guide.html>
- DEQ Retired Engineer Technical Assistance Program (RETAP)

FSP Funding

- Development of FSP may be eligible for SRF funding IF:
 - Request must be discussed in Project Plan
 - In conjunction with a funded construction loan
 - Cannot duplicate SAW grant activities
- Up to \$2 million can be requested

Architectural/Engineering Procurement

- **Qualification Based Selection (QBS) Process must be used to select A/E services**
- **Intent is to select most qualified A/E based on scope of work**
- **RFP is issued; qualifications are evaluated**
- **Discussions must be conducted with no fewer than three firms**
- **Cost cannot be a ranking factor**

QBS Process

- Contract negotiations held with the “most qualified” firm
- Negotiation process will establish a “fair and reasonable” price for services
- If agreement cannot be reached, then discussions are started with the next “highly qualified” firm

For More Information...

www.michigan.gov/cleanwaterrevolvingfund

Call Revolving Loan Section 517.284.5433