

# Funding , Incentives, and Eligibilities for Green Infrastructure Projects

After ‘The Loan Program’ ~ AKA - Part 2!

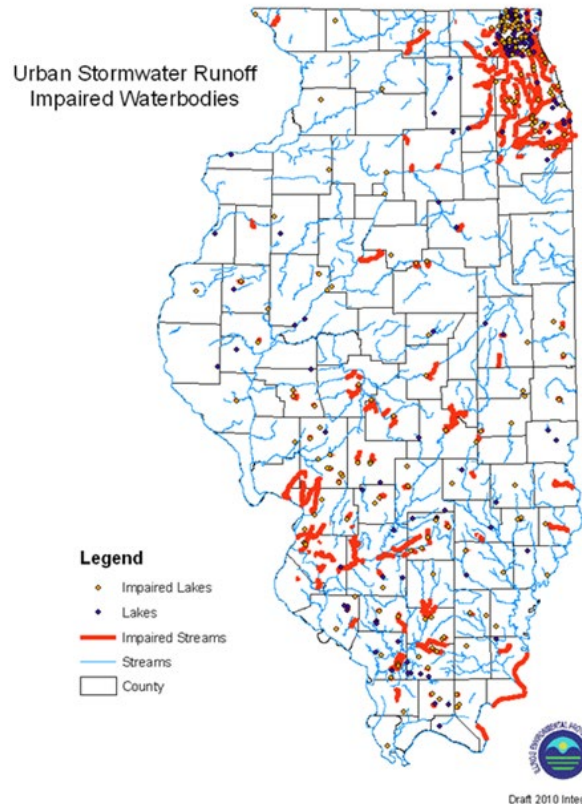
Christine Davis, Illinois EPA

# Illinois Green Infrastructure for Clean Water Act (became law - June 30, 2009)

- ▶ Resulted in The Illinois Green Infrastructure Study (May 28, 2010)

- ▶ Study Recommended:

- ▶ State-wide minimum volumetric standard for urban runoff, can adjust to address site conditions;
- ▶ Phase-in green infrastructure over a number of years;
- ▶ Implement in areas of new and redevelopment on both public and private land;
- ▶ Earmark portion of state revolving loan funds;
- ▶ Local government charge fees for maintaining stormwater facilities; give credit for green infrastructure against such fees.



# Green Infrastructure...

- ▶ Is any stormwater management technique or practice employed with the primary goal to:
  - ▶ preserve
  - ▶ restore
  - ▶ mimic or
  - ▶ enhance natural hydrology
- ▶ Includes, but is not limited to, methods of using soil and vegetation to:
  - ▶ promote soil percolation
  - ▶ evapotranspiration and to
  - ▶ filter, harvest & reuse precipitation



# Illinois Green Infrastructure Grant Program

## 2011-2014 (\$5 Million/Year)

**A Bridge!**

- ▶ Installation of BMPs (CSO drainage area or MS4 area)
  - ▶ Green Roof/Green Walls/Rain Gardens
  - ▶ Porous/Permeable Pavements
  - ▶ Infiltration Basins/Trenches/Bio-swales
  - ▶ Riparian/Wetland/Prairie Restoration
  - ▶ Downspout and Illicit Inflow Disconnections from CSOs
- ▶ Expected Applicants (anyone that could legally accept \$ from the state of Illinois)
  - ▶ Municipalities, Sanitary Districts, Park Districts, Watershed Groups and Other Non-Profit Groups
- ▶ Reimbursement Program; Match Required

### ELIGIBLE COSTS

Administration (limited)  
Design and engineering  
Construction/Planting  
Construction oversight

### INELIGIBLE COSTS

Education or outreach  
Monitoring  
Work done outside  
the grant period

# Section 319 Grant Program

## Applications due by COB on August 1, 2020

| Location  | Statewide/Priority Watersheds<br>Watershed-Based Planning Areas      |
|---|--|
| Grant Range   | \$100,000 - \$1.2 Million  |
| Maximum Grant   | \$1.5 Million<br>(~ \$3.6 available for projects<br>statewide)       |
| Minimum Match   | 40 %   |
| Project Length  | Normally 24 Months   |
| Eligible Projects<br><small>USEPA 2013 Guidance</small> | Watershed-Based Planning (WBP) or<br>WBP Implementation (TMDLs Too!) |
| Practices   | NPS Pollution Control BMPs<br>(not required by state or federal law) |



### Eligible Costs

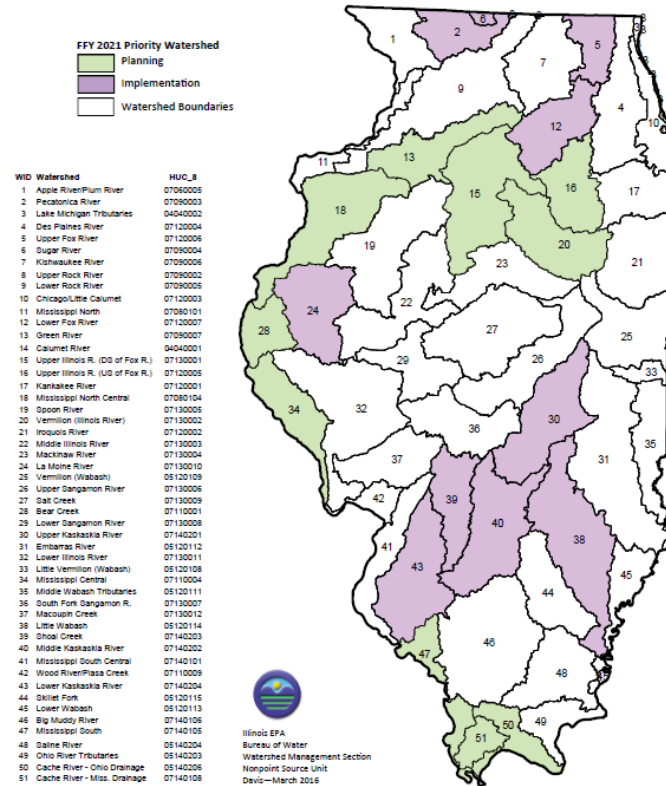
Administration & Planning  
Design & Engineering  
Construction/Planting  
Construction Oversight  
Education/Outreach  
Monitoring

# Section 319 Watershed Priorities

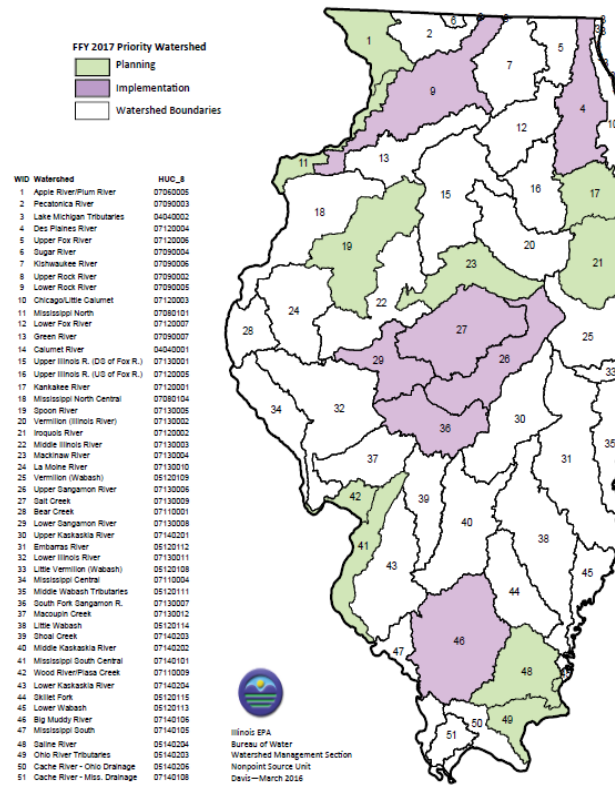
FY 21

FY 22

NPS Activities and Section 319 Funding Priorities—FFY 2021  
Application Deadline—August 1, 2020



NPS Activities and Section 319 Funding Priorities – FFY 2022  
Application Deadline – August 1, 2021



2022

# Section 604 Grant Program

## Applications due by COB on December 31, 2019

| Location                        | Statewide          |
|---------------------------------|--------------------|
| Number of Awards                | 4                  |
| Estimated Total Program Funding | \$625,000          |
| Minimum Match                   | 0 %                |
| Project Length                  | Normally 24 Months |

Monitoring requires a **Quality Assurance Program Plan (QAPP)** – plan ahead to create one if you want to do monitoring.



### Eligible Project Types (not all-inclusive)

Watershed-Based Planning (WBP)

TMDL Implementation Plan Development

BMP Design/Engineering

Technical Assistance for water pollution control

Outreach & Education

Environmental and Social Indicator Monitoring

# Examples of Funded Project



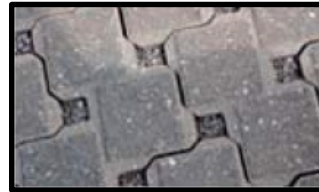
# Downspout Disconnection Assistance Program

| Village of LaGrange Park: Cook County |   |                    |                   |
|---------------------------------------|---|--------------------|-------------------|
| Funding Source:                       | Illinois Green Infrastructure Program<br>(Program Currently Unfunded)   |                    |                   |
| Date Completed:                       | November 30, 2018   |                    |                   |
| Cost:                                 | Total<br>\$274,593  | Grant<br>\$233,404 | Match<br>\$41,189 |
| BMP Installed:                        | Downspout Disconnections, Rain Gardens, Bioswales, Dry Wells, Rain Barrels and Popup Emitters   |                    |                   |
| Notables:                             | Village Ordinance w/Deadline to Disconnect<br>Pilot Program for Seniors & Disabled<br>Dedicated Project Manager<br>Project Area was 2.25 Square Miles |                    |                   |
| Results:                              | 4,407 Downspouts Disconnected from<br>1,847 Homes (482 Home rcvd \$)  |                    |                   |



Before:  
47 % of Homes Connected to CSO,  
Contributing Roughly 12 % of the  
Flow During a Heavy Rain Event.

# Morton Arboretum Parking Lot Runoff Control



## Morton Arboretum: DuPage County

|                 |   |                      |                    |
|-----------------|---|----------------------|--------------------|
| Funding Source: | Section 319 Grant Program   |                      |                    |
| Date Completed: | January 2006  |                      |                    |
| Cost:           | Total<br>\$2,110,860  | Grant<br>\$1,266,516 | Match<br>\$844,345 |
| BMP Installed:  | Porous Pavement, Curb Cuts, Bioswales, 4' Deep Gravel Drainage Layer, Level Spreader, Rock Outlet Protection, Filter Strip, and Wetland   |                      |                    |
| Notables:       | O & M: Periodic Vacuuming, no Grit or Sand for Winter Weather, De-icing Chemical OK on Pavement, but can Affect Plants and Water Quality. More Expensive to Install than Traditional lot, but can Save Money Over Long Run. |                      |                    |
| Results:        | 6.4 acre Parking (489 cars and 11 buses)<br>Non-pervious used in ADA Sections   |                      |                    |

# Old Salem Chautauqua Wetland Basin Project

## Old Salem Chautauqua Homeowners Association: Menard County

|                 |  |                   |                   |
|-----------------|--|-------------------|-------------------|
| Funding Source: | Section 319 Grant Program  |                   |                   |
| Date Completed: | August 30, 2006  |                   |                   |
| Cost:           | Total<br>\$80,529  | Grant<br>\$20,000 | Match<br>\$60,529 |
| BMP Installed:  | Pond with Side Channel Outlet with 2 Wetland Cells   |                   |                   |
| Notables:       | Historic 6-acre Pond Constructed in 1926; Breeched in 1997 by Flash-Flood. Investigation Found Drainage Area to be 725 Acres |                   |                   |
| Results:        | 6.4 acre Pond with Stable Outlet/Overflow Channel, Sediment Load Reduction = 19 tons/year                                    |                   |                   |



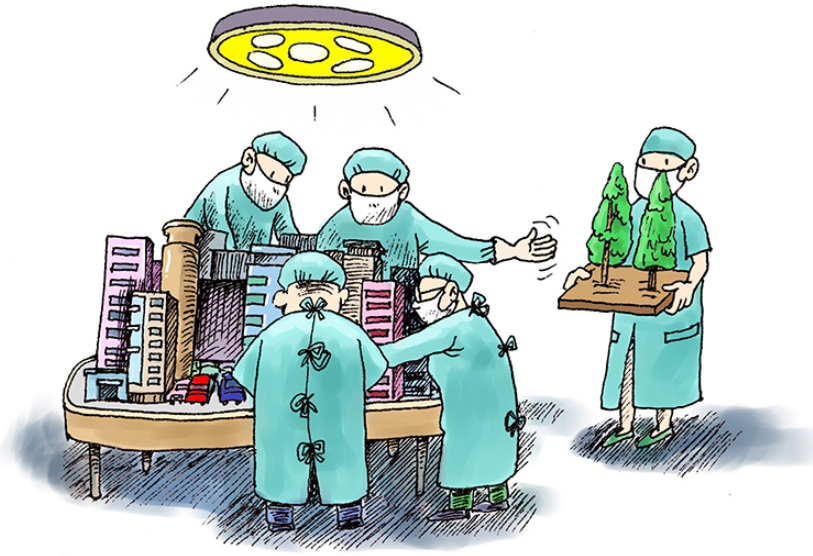
# Springbrook Creek Stream Meandering



## Forest Preserve District of DuPage County: DuPage County

|                 |   |                        |                        |
|-----------------|---|------------------------|------------------------|
| Funding Source: | Section 319 Grant Program   |                        |                        |
| Date Completed: | June 30, 2008   |                        |                        |
| Cost:           | Total<br>\$3.4 Million  | Grant<br>\$1.2 Million | Match<br>\$2.2 Million |
| BMP Installed:  | Stream Channel Remeander: Riffles, Rootwads, Cross Vanes, Buried Valley Sill, Side Channel Wetlands   |                        |                        |
| Notables:       | NEW STREAM CREATED Mimics Natural Features and Moves Flood Flows. Muscle Relocation. Uses Natural Material to Stabilize Bank and Improve Biotic Diversity |                        |                        |
| Results:        | 10,990 LF of Stream Channel. <u>Annual Load Reduction</u> : Sediment = 3,237 tons, Phosphorus = 1,619 lbs and Nitrogen = 1,619 lbs                        |                        |                        |

# Importance of Operation & Maintenance Plans



- ▶ **Before** Installation helps
  - ▶ Identify any design flaws
  - ▶ Save \$ and frustration
  - ▶ Educate Property Owners
  - ▶ Reduce the '**SURPRISE**'!
- ▶ **After** Installation helps
  - ▶ Ensure BMP Lifespan

# Illinois Office of Management and Budget Grant Accountability and Transparency Act (GATA).

Applicants may not apply for a grant until the applicant has pre-qualified through the GATA portal!

[grants.illinois.gov](https://grants.illinois.gov)

## Application Process and Timeline (federal funds):

- ▶ Notice of Funding Opportunity Posted ~ **early spring 2019**
- ▶ Applicant Pre-Registers/State Approves
- ▶ Application/Budget Submitted - DEADLINE - **August 1<sup>st</sup>, 2019**
- ▶ Agency Reviews Application/Develops Workplan ~ **Fall 2019**
- ▶ US EPA approves Illinois EPA Workplan ~ **Spring/Summer 2020**
- ▶ Notice of State Award (non-binding) ~ **Summer/Fall 2020**
- ▶ Applicant completes Fiscal and Administrative Risk Assessment and Programmatic Assessment
- ▶ Agency develops grant agreement ~ **Fall 2020**

Note - applications submitted August 2017, not funded until November 2018. Consider this when submitting an application, especially the BUDGET.

# What to Expect if Funded

- ▶ Financial Assistance Agreement
  - ▶ GATA Management throughout agreement period
  - ▶ Product Development
    - ▶ Designs and Engineering
    - ▶ 10 year - Operation and Maintenance Plan Development
    - ▶ BMP Form and Pollutant Load Reduction Calculations
    - ▶ BMP Implementation AFTER Design Approval
    - ▶ Quarterly Reporting (GATA PPR & PFR)
    - ▶ Invoicing
    - ▶ Final Reporting w/photos
- ▶ Reimbursement of Eligible Costs



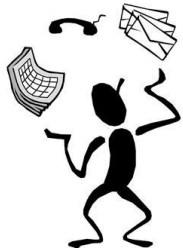
# To Green Up or Not To Green Up

## Consider the Human Tendencies



► Upholders

► Questioners



► Obligers

► Rebels



# Questions?



**Christine Davis**  
Watershed Management Section  
Illinois EPA, Bureau of Water  
Watershed Management Section

217.782.3362

[christine.davis@illinois.gov](mailto:christine.davis@illinois.gov)

[www2.illinois.gov.epa/](http://www2.illinois.gov.epa/)

# Thank You!

# **State Revolving Funds (SRF) In Illinois**

## **“The Loan Program”**

**Heidi Allen**

**Infrastructure Financial Assistance Program  
Illinois Environmental Protection Agency**

# Two State Revolving Fund (SRF) Programs

## **\*Water Pollution Control Loan Program and \*Public Water Supply Loan Program**

217-782-2027

Gary Bingenheimer, Section Manager

**Pre-Construction Unit Manager: Heidi Allen**

Financial Capability Reviewer: Mike Layden

Program Attorney: Stephanie Flowers

Post-Construction Unit Manager: Ellen Perry

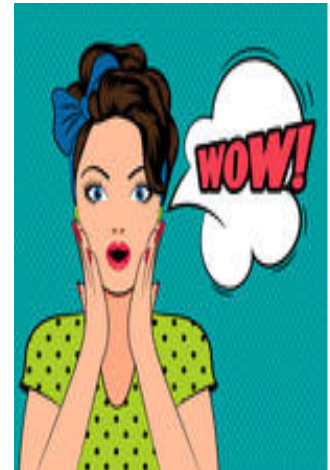
# Illinois EPA State Revolving Fund Loan Programs

- \* Water Pollution Control Loan Program
  - started as grant program in 1972
  - transitioned to loan program in 1987
- \* Public Water Supply Loan Program
  - started loan program in 1996

# Historical Funding

## WPCLP & PWSLP Loan Programs

- \*2008 – 32 Loans - \$175 M
- \*2013 – 48 Loans - \$442 M
- \*2014 – 80 Loans - \$505 M
- \*2015 – 45 Loans - \$384M
- \*2016 – 71 Loans - \$856 M
- \*2017 – 79 Loans - \$914 M
- \*2019 – 95 Loans - \$684 M



# Loan Program Funding Sources

## Both Programs

- Federal Cap Grants – Annual grants from USEPA

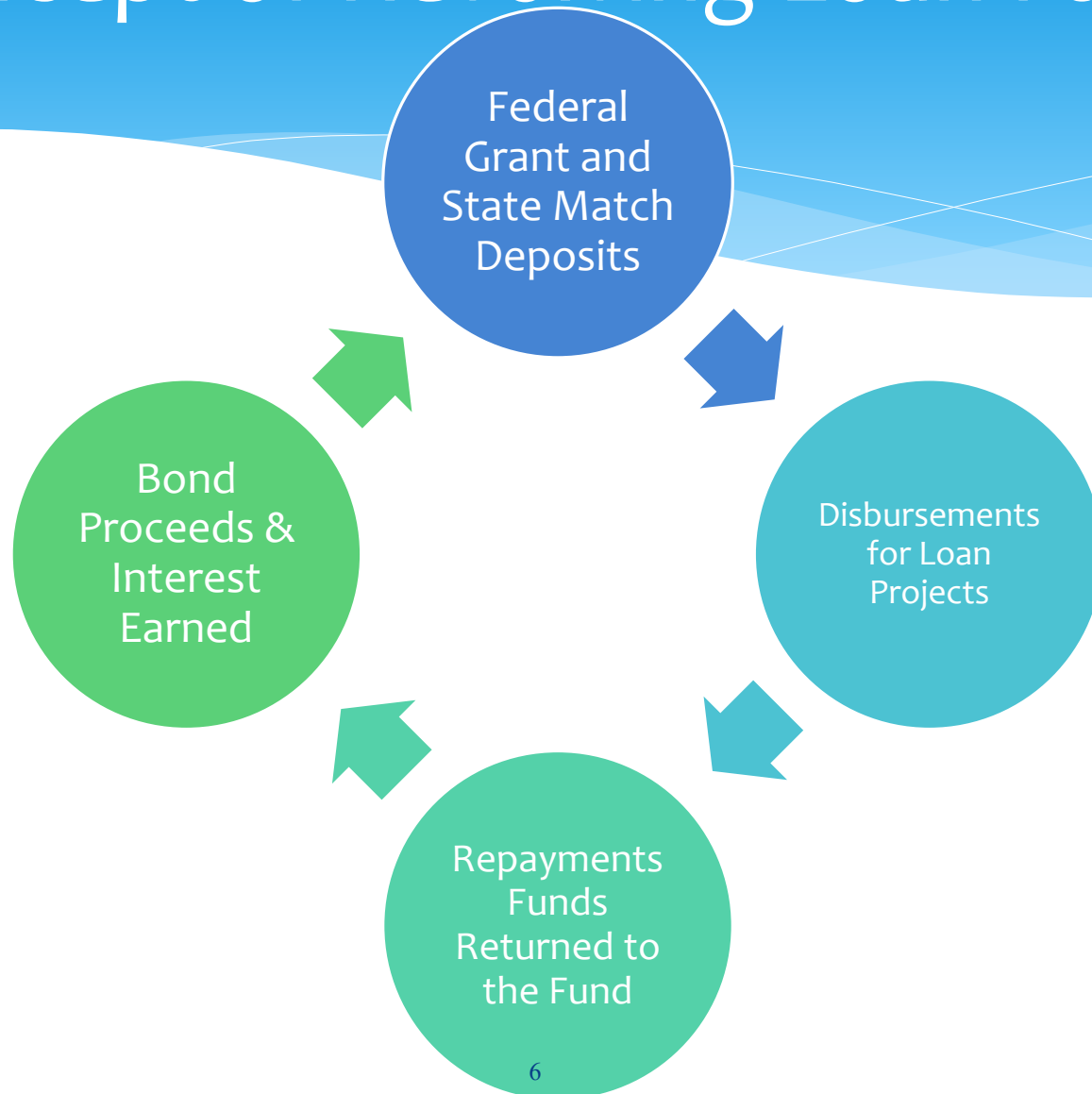
- State Match (20% of Grant) – Requires 20% match of state funds

- Loan Repayments

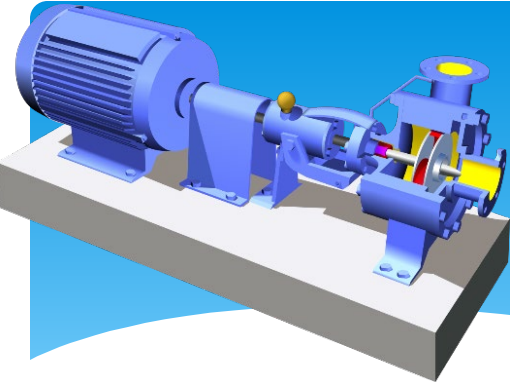
- Fund Equity

- Bond Proceeds – From sale of revenue bonds as needed to support loan commitments

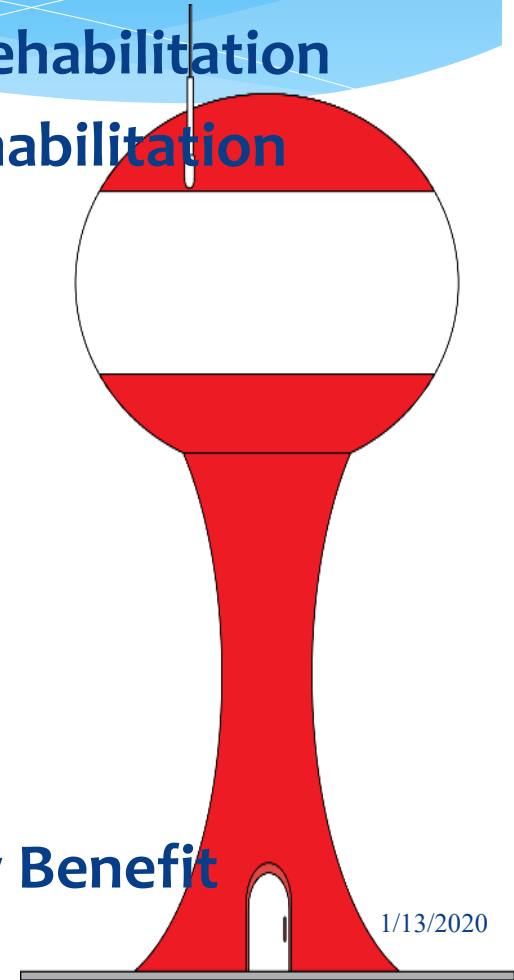
# Concept of Revolving Loan Fund



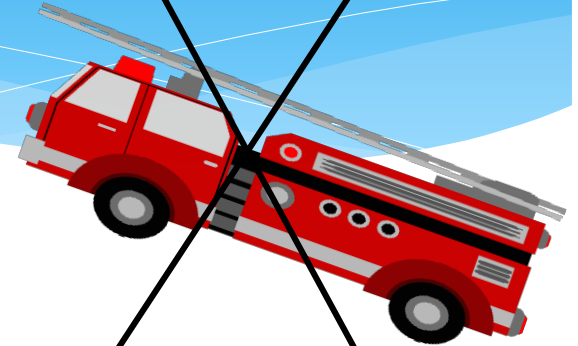
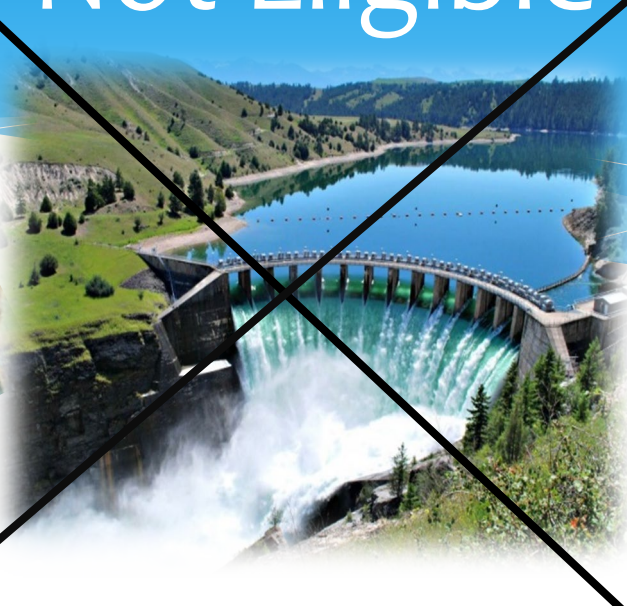
# Project Examples



- \* **Treatment Plant Construction, Repair, Rehabilitation**
- \* **Watermain & Sewer, Construction & Rehabilitation including lining**
- \* **Storage Tank Construction & Repair**
- \* **Streambank Stabilization**
- \* **New Meters & Automation**
- \* **Green Infrastructure Projects**
- \* **Pump Station Construction and Repair**
- \* **Sewer Separation Projects**
- \* **Storm water Projects w/ a Water Quality Benefit**



# Not Eligible



Projects with the primary purpose of funding future growth are not eligible. Dams, land, easements, spare parts, extended warranties, and normal operation and maintenance items are not eligible. Fire protection and loans to individuals are not eligible.

# New Eligibilities

- \* In 2014, the federal Water Resources Reform and Development Act added eight new categories of projects that are federally eligible for SRF funding.
- \* Added to Illinois Rules during October 2016.
- \* Section 365.130 of the Procedures for Issuing Loans from the Water Pollution Control Loan Program. Rules available on the Agency's website

# Clean Water Act (CWA)

## Section 603(c)(4)

- \* Authorizes financial assistance for the construction, repair, or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage.
- \* Public or Private Loan Applicants
- \* Example: a privately owned, neighborhood association or campground may borrow funds to replace their decentralized wastewater treatment system.

# CWA Section 603(c)(5)

Authorizes financial assistance “for measures to manage, reduce, treat or recapture stormwater or subsurface drainage water.”

Private or Public Loan Applicants

Projects may include green roofs, rain gardens, roadside plantings, porous pavement, and rainwater harvesting. Independent of a publicly owned treatment works.

# CWA Section 603 (c)(6)

- \* Authorizes financial assistance to any public loan applicant for measures to reduce the demand for publicly owned treatment works capacity through water conservation, efficiency, or reuse.
- \* Example: A municipality seeks financial assistance to makes grants to city residents for the installation of water-efficient appliances that will reduce demand on the municipality's WWTP.

# CWA Section 603 (c)(9)

- \* Authorizes financial assistance for reusing or recycling wastewater, stormwater, or subsurface drainage water.
- \* Public or Private
- \* Example: A private company seeks financing to construct a project that will result in the reuse of its process water OR private company wants to reuse WWTP effluent.

# State Revolving Fund Programs

## Interest Rates

- \* Simple Interest
- \* Same rate regardless of repayment terms (10 year or 20 year)
- \* Base Interest Rate for FY2020 – 2.00%
- \* Base Interest Rate for FY2019 – 1.84%
- \* Highest rate from 2003 to present – 2.50%
- \* Fiscal Year Interest Rate established July 1 for the next 12 months and is based on the mean interest rate of the 20 General Obligation Bond Buyer Index from July 1 through June 30 of the preceding fiscal year.

# Small Community Interest Rate

- \* 25% Interest Rate Reduction
- \* FY2020 is 1.50%
- \* Must have service population less than 25,000 AND
- \* Must meet at least one of the following criteria:
  - \* MHI less than the current state average;
  - \* Unemployment rate greater than state average;
  - \* Annual User Charges greater than 1.0% of MHI

# Hardship Interest Rate

- \* 1% Interest Rate
- \* Must have service population less than 10,000 AND
- \* Must meet at least one of the following criteria:
  - \* MHI less than 70% of the state average;
  - \* Unemployment rate 3 percentage points greater than the current state unemployment state rate;
  - \* Annual User Charges greater than 1.5% of MHI

# Reduced Rates for PUBLIC LOAN APPLICANTS

- \* PUBLIC LOAN APPLICANT is a local government unit or municipality that applies for a loan
- \* Municipality by federal definition “city, town, borough, county, parish, district, association, or other public body created by or under State law and having jurisdiction over disposal of sewage, industrial wastes, or other wastes, or a designated and approved management agency under section 208 of CWA”.

# Environmental Impact Discount

- \* 0.2% interest rate reduction
- \* Available to ALL loan applicants if 50% of project contains any of following components:
  - \* Providing service to an Unsewered Community
  - \* Nutrient Removal/Nutrient Loss Reduction
  - \* Green Infrastructure
  - \* Lower water demand
  - \* Reduce energy demand
  - \* Removal/replacement of lead service lines

# Principal Forgiveness for Wastewater & Storm water Projects

- \* Within the Loan Rules
- \* Based on a Point System
- \* Must score 21 points minimum to receive
- \* Minimum is 15% forgiven
- \* Maximum is 60% forgiven
- \* Based on MHI, Population, Unemployment
- \* To qualify, population less than 30,000 unless MHI < 70% of statewide average
- \* Annual caps apply

# Principal Forgiveness for Wastewater & Storm water Projects II

- \* FY2020 Maximum Forgiveness is \$28,744,400
- \* Only available to public loan applicants
- \* All municipalities with populations <5,000 qualify
- \* No census data = reverts to county (unless entity located within a city)

# 30 Year Loans

- \* Must prove useful life of project is equal to or greater than terms of the loan. Worksheet is available online.
- \* Must qualify for Small Community or Hardship Rate.
- \* Same interest rate regardless of loan terms: 20, 22, or 30 Years.
- \* Equipment life spans are available online.
- \* Meters 15 Years: Pipes 50 Years

# Important Federal Requirements

- 
- \* Davis-Bacon Act (DBA)
  - \* Disadvantaged Business Enterprise (DBE) Requirements
  - \* American Iron and Steel (AIS) Requirements
  - \* Project Sign or Equivalent Notice (Easy)

# IEPA SRF Basics I

- \* Fiscal Year begins July 1<sup>st</sup>
- \* Fiscal Year loan interest rate established July 1<sup>st</sup>
- \* Funding Nomination Form must be submitted ANNUALLY until a loan is received. This is only the beginning of the process!
- \* Funding Nomination Form places project on the Project Priority List for next fiscal year.
- \* Projects scored and ranked. Funding held for highest priority projects for a period of time.
- \* Initial Funding Nomination Form submittal should be accompanied by a Planning Report. Until a Project Plan is received, the project will not be scored or ranked.

# IEPA SRF Basics II

- \* **Planning Report** – Key document that begins the Agency working with loan applicant towards funding.
- \* Submit Three (3) Copies with the **Planning Checklist**.
- \* Can be submitted at any time.
- \* Final design or full blown Engineering Report NOT needed!

# Obtaining Funding

## “Full and Complete Loan Application”

- \* **Approved Project Plan** (Requires environmental sign-offs from the appropriate state and/or federal agencies. Always IDNR and IHPA)
- \* **Complete Loan Application Form**
- \* **Approved Loan Program Financial Requirements**
- \* **Approved engineering agreements for design and construction services (if loan funded).**

# Obtaining Funding

## “Full and Complete Loan Application II”

- \* Final design **plans and specifications**
- \* **Approved** construction permit
- \* Loan Applicant’s **Certification of Plans/Specifications Compliance** with Loan Rules
- \* If applicable, executed legal and/or intergovernmental agreements necessary for project implementation.
- \* **Bid documentation** including Bid Certifications and Checklist.

# Dedicated Revenue/User Charge Review

- \* Five year projection of revenues and operations and maintenance expense (to include replacement) plus debt service
- \* Tax Exemption Certification
- \* User Charge Ordinance sufficient to provide revenues to offset operations and maintenance expense (to include replacement)
- \* Comparison and written analysis of fluctuations of most recently audited Operations and Maintenance (to include replacement) actual results versus budget.
- \* Most recent financial statement audit and Single Audit, if applicable.
- \* Authorized debt ordinance
  - \* Publication requirements, if applicable
  - \* Legal opinion

# Important Points to Understand

No loan agreement until all requirements are met

\$\$ not available until IEPA Director signs agreement

Reimbursement Program  
No Big Check Delivered

Process takes time

Doesn't operate like a bank

Federal Program



# Questions?

- \* Phone 217-782-2027 or
- \* e-mail questions to:
- \* [Heidi.Allen@illinois.gov](mailto:Heidi.Allen@illinois.gov)