

**Frequently Asked Questions About
Maryland Water Quality Financing Administration (MWQFA)'s Funding
and Application Process**

GENERAL FUNDING QUESTIONS

Will my project automatically be funded if I apply?

No. To be considered for funding, projects must meet specific threshold criteria (see [Clean Water Scoring](#) or [Drinking Water Scoring Documents](#)). Because the total funding requested annually exceeds available funding, MWQFA uses a scoring system to rank projects in a priority order and programs available funding accordingly.

What is the project score based on?

Please refer to the aforementioned documents for details.

Do I need to submit a new application for a project that was submitted in a prior year?

Yes. If the project was not funded or additional funds are needed, please submit an updated application. The Department also recommends that applicants resubmit any project that has been selected for funding, but has been subsequently been delayed.

I applied last year and my project was not selected for funding. Can I submit another application?

Yes. Please also refer to the two general funding questions/answers below.

When will applicants find out if a project that was submitted has been selected for funding?

All applicants will be notified by email of the draft Intended Use Plan (IUP) and public hearing announcement in May (approximately four months following the solicitation). Projects that are selected for State Revolving Loan funding are identified on the draft IUP, which is subject to an advertised public hearing. Projects that are targeted for State grant funding are noted in the Governor's Capital Budget that is presented during the Legislative Session in January (approximately one year following the solicitation); official notice of grant funding is made the following spring.

When will project funding be awarded?

Both State Revolving Funds and State Grant Funds are generally available on July 1 of the State Fiscal Year specified on the application; however, MDE will not take projects to the Board of Public Works to encumber funds until applicable requirements are met and the project progresses through design and for construction. The MDE project engineer, grant administrator and/or loan officer will provide guidance as the project moves forward.

APPLICATION QUESTIONS

Who can help me if I have questions while filling out an application?

The name, phone number and email address of someone who can assist you appears at the top of each application. We are happy to help, so please don't hesitate to contact us.

How do I decide which statement to choose about funding being sought for this project (“Application Type”)?

Determine whether the applicant is a) financially able to carry the debt of a loan *and* b) willing to carry the debt of a loan. (Note: MWQFA strongly recommends applicants review the [FFY16/SFY18 Clean Water](#) or [FFY16/SFY18 Drinking Water](#) Subsidy Funding Charts to further inform this decision.)

If able and willing to carry the debt of a loan, select “Consider this project for all MDE funding sources, including low-interest loan amount as shown in Section VIIa.” If this box is checked, the project will be considered for SRF loan and loan principal forgiveness (if eligible), as well as SRF green grant and State grant. Specify the maximum amount of SRF loan the applicant is willing to borrow for the project in “Project Funding” section of the application (Section VIIa).

If unable and/or unwilling to carry any loan debt, select “Consider this project for grant funding only. Applicant will assume financial responsibility for any unfunded portion.” If this box is checked, the project will be considered only for SRF green grant and/or State grant, but NOT for SRF loan/loan principal forgiveness.

Do I have to provide supporting documents (e.g., Priority Funding Area maps, Water and Sewer Plans, permits, orders, documentation of contamination, proof of sustainable benefits)?

Yes, otherwise MWQFA is unable to accurately review/score the application.

What qualifies as “reuse/recycling of stormwater?”

A project is providing for stormwater reuse/recycling if something is being done with the stormwater that differs from usual stormdrain/stormwater pond disposal and provides for a secondary benefit (e.g., harvesting via cistern or other system that allow for utilization of reclaimed stormwater).

Why is the number of current users system-wide requested?

This information is necessary for MWQFA to identify the system as “small” (population less than 10,000) or “large” (population of 10,000 or greater). System size is a factor in determining funding (see the [FFY16/SFY18 Clean Water](#) or [FFY16/SFY18 Drinking Water](#) Subsidy Funding Charts) and is also information tracked by the Department for reporting purposes.

Why are the current and future users to be served by the proposed project requested?

This information is necessary for MWQFA to determine whether the project provides for growth. Growth over 20 percent is acceptable for clean water projects, and can be awarded up to 7 possible points if the project supports a sustainable community. Drinking water projects needed primarily to serve future population growth are not eligible.

What is meant by the term “full-cost pricing” and what can I submit as documentation?

“Full-cost pricing” is when the utility system annual revenues minus expenses (including depreciation and excluding interest on debt) minus debt service (principal and interest) equals a positive dollar amount. Appropriate documentation to demonstrate full-cost pricing is the utility’s balance sheet, income statement (i.e., a statement of revenue, expenses and changes on net asset) and cash flow statement.

What is meant by the term “asset management” and what can I submit as documentation?

In reference to infrastructure, “asset management” is the combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner across the whole life cycle of the asset. The applicant should be able to name the asset management system being used or provide an inventory of assets with a plan for their maintenance and replacement.

The project budget is not yet finalized; may I submit estimated costs?

Yes. Complete the “Project Funding” section based on best available information. If the project is selected to receive funding, loan and/or grant amounts may be adjusted upon bid openings.

In the Project Funding Section, what is the difference between the “Total Amount Requested from MDE” and the “Loan Amount Requested from MDE” under the heading “MDE Funding Request (this request)?” Can these numbers be the same?

The dollar amount to enter in “Total Amount Requested from MDE” is the amount of funding you are applying for from MDE, regardless of the type of funding (i.e., loan or grant).

The dollar amount to enter in “Loan Amount Requested from MDE” is the maximum amount of loan the applicant is willing to take for this project. This amount may be the same as or less than the total amount requested. This amount may even be zero if the applicant is unwilling to take a loan; if that is the case, the box stating “This application is for SRF green and/or State grant only” on the front page should have been selected.

In either case, do not reduce the amounts by the percentage of possible subsidy indicated by the [FFY16/SFY18 Clean Water](#) or [FFY16/SFY18 Drinking Water](#) Subsidy Funding Charts. MDE makes funding decisions based on the amounts specified in the applications; by pro-actively reducing either the total amount or loan amount in an attempt to do this work for us, you are inadvertently leading us to believe that you want less money than you may actually need.

If my project has green components, isn't the "Green Component(s) Amount" in the Project Funding Section the same as the "Total Amount Requested from MDE?"

Not necessarily. For example, a project to replace a pump station that includes the installation of energy-efficient motors is only "partially green" because it is just the cost of the motors, rather than the entire project, that may qualify under [EPA's guidelines](#) as green. In such cases, the amount to enter consists only of the costs of the green-eligible component(s) and may be less than the total amount requested.