



Maryland

Department of
the Environment

**MARYLAND WATER QUALITY FINANCING ADMINISTRATION
WATER QUALITY REVOLVING LOAN FUND PROGRAM
FEDERAL FISCAL YEAR 2016
FINAL INTENDED USE PLAN
JUNE 27, 2016
AMENDED AUGUST 19, 2016**

Larry Hogan
Governor

Ben Grumbles
Secretary

Boyd Rutherford
Lt. Governor

MARYLAND DEPARTMENT OF THE ENVIRONMENT
MARYLAND WATER QUALITY FINANCING ADMINISTRATION

FINAL

**Federal Fiscal Year 2016 Intended Use Plan
Maryland Water Quality Revolving Loan Fund**

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**MARYLAND DEPARTMENT OF THE ENVIRONMENT
MARYLAND WATER QUALITY FINANCING ADMINISTRATION
FINAL
Federal Fiscal Year 2016 Intended Use Plan
Maryland Water Quality Revolving Loan Fund**

EXECUTIVE SUMMARY

The Intended Use Plan (IUP) is the document that the Maryland Water Quality Financing Administration (MWQFA) will submit to the United States Environmental Protection Agency (USEPA) to request the Federal Fiscal Year (FFY) 2016 Capitalization Grant under the Federal Clean Water Act (CWA), to be matched with 20% of State bond/general funds, for use in the Maryland Water Quality Revolving Loan Fund (WQRLF or WQSRF). The Maryland WQSRF was established pursuant to the Clean Water Act of 1987 and the Maryland Water Quality Financing Administration Act, Title 9, Subtitle 16 of the Environment Article, Annotated Code of Maryland, to provide below market interest rate loans and other subsidies to local governments and eligible private entities for certain water quality capital projects.

The State of Maryland is committed to using the capitalization grant funds (“cap grant”) for which we are applying to provide funding for water quality improvements from point and nonpoint source capital projects, including eligible “green” projects that will further the water quality and public health objectives of the CWA.

During FFY 2016, Maryland is making a grant application to receive \$32,315,000 in Federal Capitalization Grant to be matched with \$6,463,000 (20%) in State funds. With this FFY 2016 IUP, the MWQFA is not requesting the federal (4%) funds for WQSRF program administration, as it will use loan administrative fees (see below) and funds from the WQSRF as authorized under the Water Resources Reform and Development Act of 2014 (WRRDA), if needed. Accordingly, the Federal funds and State match will be drawn proportionally as 83.33% Federal, and 16.67% State for capital project drawdowns. The highlights of the FFY 2016 IUP are as follows:

SOURCES		USES	
Capitalization Grant	\$ 32,315,000	WQSRF Admin. Exp. (up to 4% of grant)	\$ -
State (Bond/Gen. Fund) Match (20%)	\$ 6,463,000	Capital Projects - Loans & Grants	\$ 230,000,000
Revenue Bonds/EPA WIFIA	\$ 100,000,000	SRF Revenue Bond Debt Service (P&I)	\$ 5,136,000
Est. Invest. Earnings/Repayments	\$ 96,358,000	Linked Deposit Program Bank Loans	\$ -
Total	\$ 235,136,000		\$ 235,136,000

The FFY 2016 federal appropriation act requires WQSRF to provide additional subsidies (e.g., loan principal forgiveness), for which the statutory maximum amount is \$12,926,000 (40% of the cap grant), with a minimum \$3,231,500 (10% of the cap grant). MWQFA will provide these subsidies to disadvantaged communities, which are discussed later in this IUP. The FFY 2016 federal appropriation act also requires no less than \$3,231,500 (10% of the cap grant) be allocated to “green” projects, provided sufficient applications are received. Sufficient applications for loans were received to meet the “green” project goal for FFY 2016.

Loan Terms	Applicable to all WQSRF loans, except loans through the Linked Deposit Program (See Section B-2 below)
Current Interest Rate*	Standard Rate = 50% of Market Rate Disadvantaged Community (DAC) Rate = 25% of Market Rate (Market Interest Rate is defined as the average of the Bond Buyer 11-Bond Index for the month preceding the loan closing).
	* MDE, by policy, can change the SRF loan interest rate at any time. Interest rates are updated monthly and are posted on the MWQFA web site.
Loan Term	Up to 30 Years, based on the life of the assets being constructed
Loan Origination Fee	None
Loan Administrative Fee	5% of the aggregate debt service divided by the number of administrative fee payments

over the life of the loan, collected annually. This amounts to approximately a 0.50% (or 50 basis points) increase in the interest rate for a 20-year loan or 0.35% increase in interest rate for a 30-year loan. The administrative fee is used to cover program operating expenses. The Administration is not requesting any WQSRF federal 4% administrative funds from the FFY 2016 capitalization grant. If the loan administrative fee is insufficient to cover program operating expenses, the additional amount needed will be transferred from the program Total Net Position, up to 1/5% of net asset limit authorized under WRRDA in accordance with FWPCA section 603(d)(7). Based on the most recent audited financial statements as of 06/30/2015, the maximum amount allowed would be \$2,325,601 (Total Net Position of \$1,162,800,672 * 0.2% = \$2,325,601).

Table 1 shows the proposed list of projects for inclusion on the FFY 2016 IUP for WQSRF financial assistance. These projects were selected from the Project Priority List based on: (1) the Integrated Project Priority System (IPPS) ranking and (2) readiness to proceed to construction no later than December 31, 2016. The IPPS was revised on December 1, 2014, to incorporate the new eligibilities authorized under the WRRDA legislation, and approved by the USEPA on January 22, 2015.

Sewerage projects that are not included in an MDE-approved County Water and Sewer Plan are ineligible for funding. Sewerage projects that are not consistent with Maryland's Smart Growth/Priority Funding Area (PFA) legislation will need a PFA exception approval prior to loan execution. Before loan execution, projects identified in the IUP will undergo a financial credit capacity analysis by the MWQFA.

Table 1 shows projects that are being considered for loans and additional subsidies (loan principal forgiveness, if disadvantaged) based on the federal statutory limitation.

**MARYLAND DEPARTMENT OF THE ENVIRONMENT
MARYLAND WATER QUALITY FINANCING ADMINISTRATION
Federal Fiscal Year 2016 Intended Use Plan
Maryland Water Quality Revolving Loan Fund**

A. Sources and Uses of Funds

A comprehensive summary of WQSRF Sources and Uses of funds are as follows:

<u>Sources:</u>		Thru 2015 IUP		2016 IUP
Federal Capitalization Grants		\$ 870,936,946	a	\$ 32,315,000
Federal Stimulus Grants 08 IUP (ARRA)		\$ 94,784,600		
State Match Appropriated		\$ 174,245,000	b	\$ 6,463,000
Total Revenue Bond Proceeds/EPA WIFIA		\$ 236,222,390		\$ 100,000,000
Investment Earnings (Thru SFY 15)		\$ 156,978,713		
Loan Principal Repayments (Thru SFY 15)		\$ 838,469,111		
Loan Interest Repayments (Thru SFY 15)		\$ 235,049,825		
	Subtotal	\$ 2,606,686,585		\$ 138,778,000
Estimated Loan Principal (SFYs 16 & 17)		\$ 136,000,000		\$ -
Estimated Loan Interest Repayments (SFYs 16 & 17)		\$ 10,000,000		\$ 8,000,000
Estimated Investment Earnings (SFYs 16 & 17)		\$ -		\$ 8,000,000
Estimated Loan Principal (SFYs 18 & 19)		\$ 68,000,000		\$ 68,000,000
Estimated Loan Interest Repayments (SFY 18)		\$ -		\$ 9,000,000
Estimated Investment Earnings (SFY 18)		\$ -		\$ 4,000,000
	Subtotal	\$ 214,000,000		\$ 97,000,000
	Total Sources	\$ 2,820,686,585		\$ 235,778,000
Uses:				
Loan Agreements Entered as of 06/30/2015		\$ 2,096,666,422		\$ -
Projects on IUPs with loans pending as of 06/27/2016		\$ 139,970,522		\$ 230,000,000
Loans executed SFY 16 as of 06/27/2016		\$ 184,615,488		\$ -
Funds Transferred to Drinking Water SRF (98/99 IUPs)		\$ 10,634,580		\$ -
Bond Principal Repaid		\$ 203,037,390		\$ 3,980,000
Bond Interest Expense		\$ 133,399,502		\$ 1,501,000
Bond Cost of Issuance/Underwriter Discount		\$ 4,949,910		\$ -
Bond Debt Service Reserve		\$ 3,076,500	c	\$ -
Stimulus Administrative Expense		\$ 2,000,000		\$ -
4% Administrative Expensed as of 06/30/2015		\$ 18,935,860		\$ -
4% Administrative Expense/Reserve		\$ -	d	\$ -
Allocated Non-point Source Projects (Linked Deposit)		\$ 23,000,000		\$ -
	Total Uses	\$ 2,820,286,174		\$ 235,481,000

The above does not include program income generated from loan fees, used for administrative expenses.

^a Total awards through FFY 2015 Capitalization Grant, excluding ARRA.

^b Includes State General/Bond Fund match of \$6.792 million for FFY 2015 IUP (available July 1, 2016).

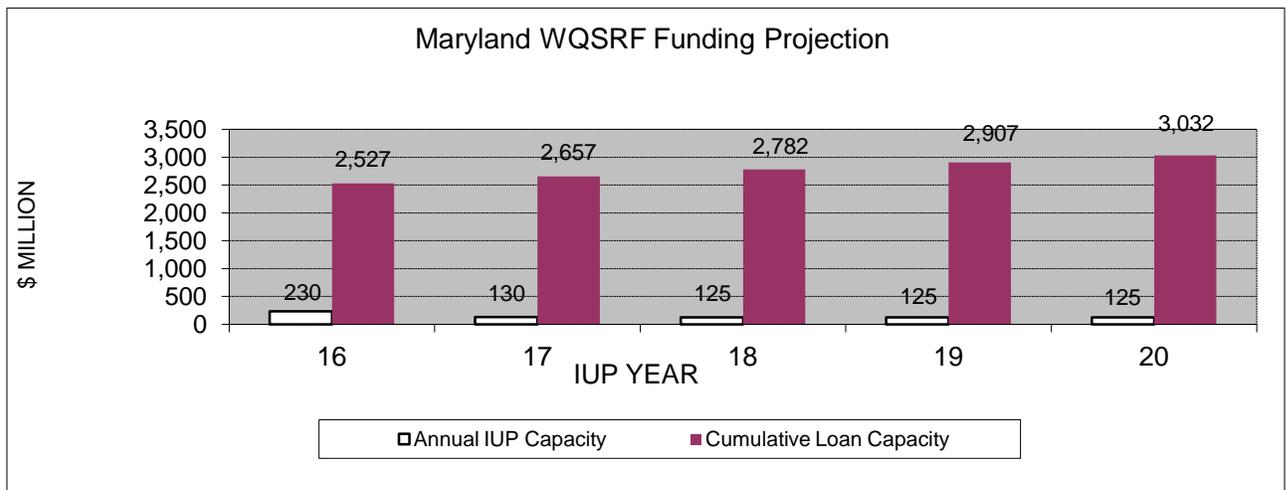
^c Debt Service Reserve as of September 1, 2015.

^d Starting with FFY 2015 IUP, program operating expenses are covered by the loan administrative fee and funds from the WQSRF fund balance, as authorized under the Water Resources Reform and Development Act of 2014 (WRRDA), if needed (see C. Administrative Fees, below).

B. Goals of the Maryland Water Quality Revolving Loan Fund

1. Long-Term Goals

- **Fund Perpetuity & Utilization** -- To utilize the total financial resources of the Fund by providing low interest rate financing while maintaining a perpetual source of capital funds for future water quality projects. The goal is to achieve a fund utilization rate (loans executed/total funds available) of 90% or greater. This is a Program Activity Measure (PAM) under EPA's strategic plan for the WQSRF. For FFY 2016, MWQFA is projecting WQSRF fund utilization rate of over 95%. The WQSRF could finance approximately \$735 million in additional loans from capitalization grants, State match, loan repayments, and investment earnings between FFY 2016 and FFY 2020 IUPs (see graph below). This is in addition to the \$2.29 billion capacity on existing IUPs (FFY1989 - 2015). This analysis assumes annual Maryland Federal Capitalization Grant of ~\$32 million per year. The cumulative loan financing capacity of the WQSRF is projected to be over \$3.03 billion by FFY 2020.



- **Funding Prioritization** -- The updated IPPS rating and ranking system targets financial assistance to projects that help meet the Maryland's Final Watershed Implementation Plan (WIP) to address the Chesapeake Bay Total Maximum Daily Load (TMDL). The IPPS focuses on the proposed project water quality benefits or documented public health concerns, relative effectiveness of nutrient reduction to the Chesapeake Bay, compliance status, cost efficiency and sustainability elements.
- **Reasonable User and Project Unit Cost** -- To ensure facilities are constructed and maintained at a reasonable cost for the users of the system. To this end, MWQFA will continue to provide disadvantaged communities (DACs) a lower interest rate and additional subsidies such as partial loan principal forgiveness. For projects that have high unit cost per household, the MWQFA will continue to coordinate its State grant programs with other Federal/State financial assistance programs (e.g., USDA Rural Utilities Service, Community Development Block Grant, Federal Special Appropriation grants) that provide approximately \$15 million/year for water/sewerage system improvements in Maryland.
- **Financial Capacity & Disadvantaged Community Assistance** -- As part of the credit/financial analysis of potential borrowers, the MWQFA will continue to provide financial advisory services to system owners on the feasibility of their user rate structure and financial capacity to pay back a loan. The MWQFA financial model forecasts future operating cash flows based on existing/proposed user rates using audited financial statements. The model has been an effective tool to assist communities in developing affordable user rate structures and in determining additional subsidies to DACs.

2. Short-Term Goals/FFY2016 IUP Operating Goals

- Finance Advanced Treatment at WWTPs for Nutrient Reduction -- To provide low-cost financing to local governments for the local share, in tandem with Maryland's Bay Restoration Fund Wastewater Program (BRF Wastewater) grant funding for Enhanced Nutrient Removal (ENR), to upgrade targeted wastewater treatment facilities with advanced treatment to reduce nitrogen and phosphorus discharges as part of the Maryland's WIP. Maryland's far-reaching legislation (Bay Restoration Fund), which was signed into law in 2004 (amended in 2012 to increase the fee from \$2.50/month per equivalent dwelling to \$5.00) to address Bay restoration, created a dedicated fund to initially upgrade the 67 largest wastewater treatment plants to ENR standards. ENR upgrades at Maryland's largest 67 wastewater treatment plants are expected to reduce 7.5 million pounds of nitrogen and 260,000 pounds of phosphorus from entering into the Bay each year, which is required for Maryland to meet its load cap under the Chesapeake Bay TMDL. Maryland is now encouraging the upgrade of minor wastewater treatment plants to ENR, where cost-effective. ENR projects are expected to receive up to 100% state grants for ENR eligible components. Some non-eligible ENR components can be covered by WQSRF loans. See Table 1 for ENR projects identified for funding in the FFY 2016 IUP.
- Community & Utility Sustainability -- To provide low-cost capital financing to local governments for existing facility (fix-it-first) upgrades for water quality improvements necessary to achieve or maintain permit compliance. The FFY 2016 IUP funding list identifies several such projects. In addition, MWQFA continues to work closely with facility owners to maintain system financial capacity. MWQFA's credit capacity analysis includes detailed discussions with potential loan recipients to ensure that their sewerage enterprise fund remains fiscally solvent. Fiscal solvency includes reliable and dedicated sources of revenue for the debt service on capital improvements and the cost of operations and maintenance. Applicants that have full-cost pricing (revenue generated for replacement cost/depreciation recovery) in their sewer user rates are awarded sustainability points on the project rating system. Similarly, projects with growth that support community sustainability such as proximity to transit, Brownfield revitalization, community legacy areas, decentralized sewage systems or projects that support green infrastructure (effluent or digester gas reuse, etc.), energy efficiency and environmental innovation are awarded sustainability points on the project rating system.
- Green Infrastructure, Water and Energy Efficiency and Environmental Innovation Projects -- The MWQFA has actively solicited "green" projects to be included in the FFY 2016 IUP for funding to help restore Maryland's waterways as part of the larger Chesapeake Bay restoration goals. Green projects are integral to the innovative approach Maryland has taken through the Chesapeake Bay WIP to address water quality issues throughout the Maryland portion of the Bay watershed. One (1) project is identified for green loan totaling \$7,776,000 (24.06% of the federal cap grant amount), which is being offered priority for loan funding. Based on the above, the FFY 2016 IUP currently has exceeded the required 10% minimum of the federal cap grant award amount allocated towards green projects.
- Additional Subsidization and Eligible Recipients -- The FFY 2016 federal appropriation act requires WQSRF to provide additional subsidies (e.g., loan principal forgiveness), for which the statutory maximum amount is \$12,926,000 (40% of the cap grant), with a minimum \$3,231,500 (10% of the cap grant). Additional subsidies are provided to DAC applicants in priority ranking order and readiness to proceed to construction, until the statutory limit is reached. DACs are eligible to receive up to 50% of the WQSRF financing as loan principal forgiveness, not to exceed \$1.5 million per project and/or applicant. The DAC eligibility criteria was revised to incorporate WRRDA requirements after providing an opportunity of public hearing, as follows:
 1. Sewer user rate per year per Equivalent Dwelling Unit (EDU) > 1% of Community Median Household Income (MHI); or
 2. Project is physically located and benefits an MDE approved Environmental Benefit District; or
 3. Project is physically located and benefits a community with MHI less than 70% of State MHI; or
 4. Project is physically located and benefits a community in a Maryland County (including Baltimore City) with a high unemployment rate (upper 25th percentile); or
 5. Project is physically located and benefits a community in a Maryland County (including Baltimore City) where the U.S. Census data shows a declining population.

In addition to above criteria, if the statutory limit for additional subsidy has not been reached, up to 25% of the loan amount as loan principal forgiveness not to exceed \$1.5 million, may also be provided to projects in priority ranking order with readiness to proceed, where the sewer user rate would increase by more than

20% to achieve financial capacity as determined by MDE. Note: No project on the FFY 2016 IUP is identified for additional subsidy under this section. This may change based on the MWQFA financial review of the borrower undertaken prior to loan closing, which may require user rate increase to achieve financial capacity.

- **Finance Nonpoint Source (NPS) Projects – Linked Deposit (LD)** - Continue funding privately owned nonpoint source projects using the LD Program. Since most private entities do not receive a formal mail solicitation to apply for WQSRF loans as local governments do, information regarding the WQSRF LD Program is provided through a cooperative effort between Department of Natural Resources, Department of Agriculture, Local Soil Conservation Districts, Local Health Departments, and Maryland Department of the Environment (MDE). Information on the LD Program is also available on the MWQFA website. The MWQFA has previously allocated \$23 million of recycled funds (investment earnings/repayments) for eligible private NPS projects to be funded on a first come, first served basis using the LD Program. Based on low demand, MWQFA is not requesting new funds for Linked Deposit activity with the FFY 2016 IUP.

For additional information on the LD program see web link: <http://www.mde.maryland.gov/wqfa>

C. Project Selection and Fund Activities under the FFY 2016 IUP

Financial Assistance Applications for water quality projects were solicited by the MWQFA in December 2015 through January 2016 to develop the Maryland Project Priority List (PPL). Project applications were rated and ranked based on the Clean Water Integrated Project Priority Rating/Ranking Criteria (IPPS) and identified in the Maryland PPL for Federal FY 2016 and State FY 2018 Clean Water Funds. This PPL was used to select projects for the FFY 2016 IUP, based on their priority ranking, applicant’s interest in CWSRF loan, and readiness to proceed to construction by December 2017 (unless specifically requesting a planning/design phase loan).

The FFY 2016 IUP includes \$230,000,000 in project funding. Below is a summary of the sources and uses of funds.

SOURCES		USES	
Capitalization Grant	\$ 32,315,000	WQSRF Admin. Exp. (up to 4% of grant)	\$ -
State (Bond/Gen. Fund) Match (20%)	\$ 6,463,000	Capital Projects - Loans & Grants	\$ 230,000,000
Revenue Bonds/EPA WIFIA	\$ 100,000,000	SRF Revenue Bond Debt Service (P&I)	\$ 5,136,000
Est. Invest. Earnings/Repayments	\$ 96,358,000	Linked Deposit Program Bank Loans	\$ -
Total	\$ 235,136,000		\$ 235,136,000

All projects identified on the FFY 2016 IUP Table 1 for WQSRF financing are being considered for both below market interest rate loan and loan principal forgiveness funding, provided they are ready-to-proceed to construction by December 31, 2017.

If an Applicant with a project identified on the Project Priority List that is not being considered for WQSRF funding on Table 1 wishes to pursue a “LOAN”, or a debt service payment “GUARANTEE*” on local debt, they should contact Ms. Elaine Dietz by email at elaine.dietz@maryland.gov or by phone at 410-537-3908. Funding capacity for these projects, if selected, will come from projects on the older IUPs that are delayed/deleted, from future loan repayments and/or issuance of additional revenue bonds, if necessary.

***Requests for debt service payment guarantee for WQSRF eligible projects will also be accepted at any time outside of the funding cycle.**

Subsidies for Disadvantaged Communities: The FFY 2016 appropriation act requires WQSRF to provide a minimum 10% of the capitalization grant (or \$3,231,500), and no more than 40% (up to \$12,926,000) to provide additional subsidies in the form of loan principal forgiveness to benefit communities meeting the State’s DAC Criteria. Table 1 identifies borrowers that may qualify as Disadvantaged; however, the extent of subsidy provided (e.g., lower interest rate, loan principal forgiveness) is determined based on the DAC Criteria described in Section B-2, above. The FFY 2016 IUP (Table 1) identifies \$8,250,000 (or 26%) of the capitalization grant in additional subsidies in the form of loan principal forgiveness.

Green Project Reserve: The FFY 2016 appropriation act requires WQSRF to provide a minimum 10% of the capitalization grant (or \$3,231,500) to Green Project Reserve projects. The FFY 2016 IUP (Table 1) identifies \$7,776,000 (or 24%) of the capitalization grant in green project reserve funding.

Administrative Expenses: With this FFY 2016 IUP, the MWQFA is not requesting the federal (4%) funds for WQSRF program administration. Program administration will be funded from loan administrative fees (see Program Income & Non-Program Income (Non-Federal) below). If the administrative fee is insufficient to cover program operating expenses, the excess will be transferred from the program Total Net Position up to the 1/5% of net asset limit authorized under WRRDA in accordance with FWPCA section 603(d)(7). Based on the most recent audited financial statements as of 06/30/2015, the maximum amount allowed would be \$2,416,855 (Total Net Position of \$1,208,427,573 * 0.2% = \$2,416,855).

Program Income & Non-Program Income (Non-Federal): The MWQFA charges loan fees equal to 5% of annual debt service. The details related to the program income and non-program income revenue and expenses are provided each year in the annual report. During State FY 2018, MWQFA estimates the fee revenues to be \$4.8 million.

D. Project Scope of Work/Environmental Benefits – FFY 2016 IUP Projects

The following are examples of the types of projects selected for financial assistance in the FFY 2016 IUP. The detailed Environmental Benefits Reporting (EPA one-pager) for each Section 212 project below will also be provided in the annual report to EPA. In addition, Section 319 projects funded through the direct loan program and LD projects will be identified in the one-pagers by specific categories as part of the annual report.

- Washington Suburban Sanitary Commission (WSSC)'s Sanitary Sewer Reconstruction – Beaverdam Basin PGC project (rank 1/78 points) involves repair, replacement, and rehabilitation of 2.11 miles of 6" – 36" diameter sewer main in Prince George's County. This project is part of an ongoing effort by WSSC to comply with a consent decree to minimize and eliminate, where possible, sewage overflows from its extensive sewer system. This project benefits an existing sustainable community and serves 217,253 homes.
- Baltimore City's SC-918H CMAR/Back River Headworks Improvement project (rank 14/75 points) involves construction of a new coarse screen facility, construction of a new influent pumping station, replacement of the fine screen facility, replacement of the grit removal facility, construction of a new equalization pump station, construction of three new wet weather tanks with total storage capacity of 36 MG, and construction of new 10 MW on-site emergency generators. This project is part of the City's Phase I improvements to comply with the Wet Weather Consent Decree. According to flow modeling results, this project alone will account for elimination of 82% of the City's Sanitary Sewer Overflows by volume. The project will eliminate backwater conditions on the Outfall Sewershed sewer system and allow the City to manage all the wet weather flows at the Back River WWTP. The project will also protect the Plant secondary and tertiary treatment processes from wet weather flows by diverting flows in excess of the plant treatment capacity to wet weather storage tanks. This project is cost-shared with Baltimore County (Rank 15/75 points), a user of the City's sewerage system. This project benefits existing sustainable community needs and serves 720,000 homes.
- Preston Wastewater Treatment Plant (WWTP) ENR Upgrade (rank 33/67 points) in the Town of Preston located in Caroline County involves upgrading the existing 0.115 million gallons per day lagoon system to ENR treatment levels. The WWTP cannot meet the permit limits and is currently under a consent order. Existing lagoon #1 will be retrofitted with an aeration process that decreases BOD, ammonia, and total nitrogen. Digested solids will ultimately be disposed onto reed beds constructed at Lagoon #2. Effluent from the lagoons will be pumped through dual train denitrification filters prior to stream discharge at ENR levels. Upon completion, nutrient loads to the Chesapeake Bay will be reduced by 5,253 lbs per year TN and 946 lbs per year TP. This project will benefit 366 households in this disadvantaged community.
- The Urban Stormwater Retrofit Program Public-Private Partnership Program project (rank 46/56 points) involves construction of a wide array of structural treatment options ranging from small rain gardens to drain inlet modifications, pond retrofits, County right-of-way BMPs, and green streets to provide stormwater management for 960 impervious acres in Prince George's County. This project is undertaken by Corvias PG Stormwater, LLC in a public-private partnership with Prince George's County to comply with the County's

MS4 Permit.

E. Minority Business Enterprises/Women's Business Enterprises (M/WBE) Participation

The EPA and MDE have negotiated the new fair share goals for FFYs 2016, 2017, and 2018 based on the Maryland Department of Transportation 2011 disparity/availability study, which showed an increase in availability numbers. As a result, the new MDE goals are 18% MBE and 16% WBE for the "construction" category (total 34% M/WBE).

These goals will be applicable to all projects financed using WQSRF (loans and loan principal forgiveness). MDE provides WQSRF applicants an "Insert" for inclusion in procurement/bid documents, which outlines the M/WBE (%) goals and the affirmative/positive steps necessary to show a good faith effort consistent with federal regulations under 40 CFR Part 31.36(e). Failure to meet the M/WBE goals does not preclude the use of the SRF, as long as the good faith efforts can be demonstrated and documented. It is important that the loan recipients and their prime contractors undertake the necessary affirmative/positive steps to assure that M/WBE firms are afforded the opportunity to participate in SRF projects. M/WBE Program details and forms are available on MDE's web site at www.mde.maryland.gov/wqfa.

F. Assurances

The Department agrees to comply with the Federal program requirements as outlined in the Operating Agreement between EPA and MDE, amended as of April 2014, and further updated as of February 2016.

G. Binding Commitments/Federal Payments

The projected binding commitments/federal payment schedule is shown on Table 1.

H. Public Review of the Draft FFY 2016 IUP

Applicants that submitted Financial Assistance Applications were sent an e-mail on Wednesday, May 11, 2016, informing them of the availability of the Draft IUP/PPL on MDE's website. This Draft FFY 2016 IUP was the subject of a public hearing on Friday, June 17, 2016 at 10:00 AM at the Maryland Department of Environment, 1800 Washington Boulevard, Baltimore, Maryland 21230 (Terra Conference Room/Lobby). The public hearing record closed on June 24, 2016. The Public Hearing Responsiveness Summary is included as Appendix C to this FINAL FFY 2016 IUP, and indicates what actions MDE took on comments submitted.