Bay Restoration Fund for Minor and Other WWTPs
Cost Effectiveness Evaluations

Based on BRF law, WWTPs other than the original 67 major WWTPs can be funded only when they are cost effective. The following process will be followed to ensure that funded project meet the cost effectiveness criteria. MDE will also ensure that WWTP owners are not exposed to any financial risk during this process by having planning and design grant funded at 100% by BRF.

I. Pre-Planning Project Selection:

If a WWTP has a design capacity of 60,000 gpd or more, there is a reasonable chance from the cost curve that the project can meet the above cost effectiveness criteria and should be given preference. However, MDE will consider funding of the planning and design for any minor WWTP based on the owner's estimated project cost if the estimated cost meets one of the following Cost per Pound ("CPP") criteria:

- Estimated project capital cost yields less than $50 per Lb of total nitrogen (TN) reduced, OR
- Estimated project capital cost yields between $50/lb and $100/lb and TN total reduction is more than 1,000 lb/yr.

The cost per pound is calculated as follows:

[Project Cost ($)/20 years] / Lb TN reduced per year = $/Lb

If the project is selected, ENR planning and design will be funded at 100% BRF grant unless it is determined during the planning/design process that the project no longer meets the above CPP criteria.

II. Planning Phase Project Evaluation:

It is strongly recommended that the preliminary engineering report (PER) meets all the Clean Water State Revolving Fund (CWSRF) program requirements in case this fund will be needed to cover the cost of any non-ENR item. If the CWSRF participation is not expected, the PER must at minimum include alternatives evaluation with the selection of an alternative is done based on life cycle cost analysis and non-monetary factors.

The selected alternative will be further evaluated based on the above CPP criteria using the eligible ENR cost as the "Project Cost." If the project continues to be cost effective based on the CPP criteria, MDE will issue a planning approval letter with an eligibility determination and advise the owner to concurrently proceed with design (fully funded) and apply for the funding at the next funding cycle so MDE can budget the construction money. A copy of MDE planning approval letter needs to be included in the funding application to ensure that the project receives higher score and be selected for funding. If the project does not meet the CPP criteria, MDE will advise the owner that the project may not be funded through BRF because it is not cost effective.

III. Design Phase Project Re-Evaluation:

The project will be re-evaluated based on the above CPP criteria using the eligible ENR cost in the 90% or more design engineering estimates as the "Project Cost." If the project continues to be cost effective based on the CPP criteria, and the construction money have been budgeted through the funding application process, MDE will issue a new design-phase eligibility determination and ask the owner to proceed to design completion and bidding.

If the project does not meet the CPP criteria based on the design-phase engineering estimates, and the owner decides to proceed with project in spite of it not being cost effective, BRF funding will be limited and capped to maintain the appropriate cost per pound based on the above CPP criteria.

IV. Bidding Phase Project Re-Evaluation:

The project will be re-evaluated based on the above CPP criteria using the eligible ENR cost in the selected lowest bid as the "Project Cost." If the project continues to be cost effective based on the CPP criteria, MDE will approve the bid package and ask the owner to proceed to construction.

If the project does not meet the CPP criteria based on the bid, and the owner decides to proceed with project in spite of it not being cost effective, BRF funding will be limited and capped to maintain the appropriate cost per pound based on the above CPP criteria.