

## **Maryland Department of the Environment**

### **Integrated Project Priority System for Water Quality Capital Projects Point Sources and Nonpoint Sources**

#### **Overview**

This document outlines the criteria and procedures used by Maryland Water Infrastructure Financing Administration (MWIFA), formerly Maryland Water Quality Financing Administration, for rating and ranking water quality improvement capital projects to develop an annual Project Priority List (PPL) that will be used to select projects for financial assistance under the following MDE Programs:

- [Water Quality Revolving Loan Fund \(WQRLF or WQSRF\)](#) (including funds that are authorized to flow through the WQSRF, such as the Bipartisan Infrastructure Law of November 2021)
- [Bay Restoration Fund \(BRF\) Wastewater Grant](#)
- Supplemental Assistance Grant
- [Sewer Overflow and Stormwater Reuse Municipal Grants Program \(OSG\)](#)

Based on project ranking and/or disadvantaged community status, an applicant may be eligible for State grant and/or additional subsidy under the WQRLF program (i.e., loan principal forgiveness). For further information about eligibility for WQSRF loan principal forgiveness and State grant, review MDE's "Water Quality Funding Eligibility Chart" on the [MWIFA web page](#).

#### **Threshold Requirements for MDE Funding of Treatment Works Projects<sup>1</sup>**

- 1) The project scope must be included in the MDE approved County Water and Sewerage Plan and
- 2) The project, and the area served by it, must be located within a Priority Funding Area (PFA) or have been granted a PFA exception by the Smart Growth Coordinating Committee (SGCC). Note: Projects funded solely with BRF Wastewater Grant are not subject to PFA law, with the exception of sewer extensions to connect properties served by septs to a BNR/ENR WWTP.

Treatment works projects not meeting the requirements will be scored and ranked, but funding will not be allocated. These requirements do not apply to non-treatment works projects (e.g., stormwater best management practices (BMPs)).

#### **Project Rating Procedure and Criteria**

MWIFA will evaluate each project application using a "project score sheet." The procedure described below contains references to section numbers used on the score sheet. Projects will be rated and ranked on the Project Priority List (PPL) in descending order based on the total points awarded on the score sheet. A maximum of 200 points can be awarded to any project. In case of tied scores, projects will be ranked as follows:

- Stormwater projects will be ranked by the number of drainage acres treated by the project, largest to smallest.

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<sup>1</sup> Projects involving wastewater/sewage collection, conveyance, treatment and disposal, including storm sewers involved in the separation of combined sewer overflows.

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- Wetland restoration, creation, and rehabilitation projects will be ranked by the number of acres restored, created, or rehabilitated by the project (as the case may be), largest to smallest.
- Stream restoration and shoreline erosion control projects will be ranked by the number of linear feet, largest to smallest.
- Riparian buffer restoration projects will be ranked by the acreage of riparian buffer restored by the project, largest to smallest.
- Upland forest planting projects will be ranked by the acres of upland forest planted, largest to smallest.
- All other projects will be ranked by the population served by the project, smallest to largest.

## Section I – Water Quality Benefit (Maximum 40 points)

This section relates directly to the multi-State effort to develop the Chesapeake Bay Total Maximum Daily Load (TMDL) and nitrogen reduction efforts statewide. Priority in this section is given to projects with the greatest benefit to the Chesapeake Bay by considering resulting nitrogen reduction and the relative effectiveness (RE) of the nutrient reduction based on the 8-digit watershed where that reduction will take place. RE (calculated as the delivery factor multiplied by the estuarine effectiveness) is a measure of the impact from the edge-of-stream nutrient load from an 8-digit watershed on the dissolved oxygen in the Chesapeake Bay Mainstem. Points in this section will be awarded for the total nitrogen (TN) reduction and RE of that reduction as described in Steps 1 and 2 below.

**Step 1.** Calculate the resulting estimated TN reduction (lbs/yr) using the appropriate methodology described in the table below:

Project Type	Methodology
WWTP upgrade from secondary to BNR (concentration reduction from 8 to 3 mg/l TN)	Lbs/yr TN Reduction = Design capacity in MGD * 10 mg/l * 8.34 * 365 days per year
WWTP upgrade from BNR to ENR (concentration reduction from 8 to 3 mg/l TN)	Lbs/yr TN Reduction = Design capacity in MGD * 5 mg/l * 8.34 * 365 days per year
WWTP upgrade from secondary to ENR (concentration reduction from 18 to 3 mg/l TN)	Lbs/yr TN Reduction = Design capacity in MGD * 15 mg/l * 8.34 * 365 days per year
Connect minor WWTP to BNR or ENR facility	Use appropriate calculation above, except substitute existing flow to be connected in MGD for existing design capacity in MGD
Sewer extension to connect existing structures on septic to secondary WWTP	Lbs/yr TN Reduction = 5.55 lb/yr * number of existing Equivalent Dwelling Units (EDUs) <sup>2</sup> to be connected
Sewer extension to connect existing structures on septic to BNR WWTP	Lbs/yr TN Reduction = 9.98 lb/yr * number of existing EDUs <sup>2</sup> to be connected
Sewer extension to connect existing structures on septic to ENR WWTP	Lbs/yr TN Reduction = 12.2 lb/yr * number of existing EDUs <sup>2</sup> to be connected
Installation of Best Available Technology at shared community septic system	Applicant to provide calculation of existing load – projected load from BAT
Stormwater management BMP	Use the “Urban Stormwater Management Credit Calculator” posted under the “Associated Documents” heading <a href="#">here</a> to calculate Edge of Stream (EOS) reductions.

<sup>2</sup> When existing structures to be connected aren’t traditional EDUs (single-family homes), use the following formula to calculate the “flow-equivalent EDU” for use in the equation: septic design flow (gpd) / 195 gpd/EDU (e.g., 1,635 gpd / 195 gpd/EDU = 8.4 EDU).

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Stream restoration	Length of stream to be restored in linear feet (as measured down center of stream) * 0.075																				
Shoreline erosion control (e.g., living shoreline)	Length of shoreline restored in linear feet * 0.086																				
Upland forest planting	Acreage of riparian zone to be permanently restored with Maryland native tree and plant species * the appropriate multiplier from the list below: <ul style="list-style-type: none"><li>- Crop to Forest = 32.62</li><li>- Pasture to Forest = 21.31</li><li>- Hay to Forest = 18.83</li><li>- Turf to Forest = 11.12</li><li>- Mixed Open to Forest = 5.88</li></ul>																				
Riparian buffer restoration	Acreage of riparian zone to be permanently restored with Maryland native tree and plant species * the appropriate multiplier from the list below: <ul style="list-style-type: none"><li>- Crop to Riparian Forest Buffer = 35.84</li><li>- Pasture to Riparian Forest Buffer = 24.53</li><li>- Hay to Riparian Forest Buffer = 22.05</li><li>- Turf to Riparian Forest Buffer = 14.34</li><li>- Mixed Open to Riparian Forest Buffer = 9.1</li></ul>																				
Wetland Restoration <sup>3</sup>	<p>Acreage of wetland restored * the appropriate multiplier from the table below:</p> <table><tr><th colspan="4">TN Reduction (lbs/ac/yr)</th></tr><tr><th>Category</th><th>Physiographic Subregion</th><th>Other Wetlands</th><th>Floodplain Wetlands</th></tr><tr><td>1</td><td>Appalachian Plateau, Ridge and Valley, Outer Coastal Plain – Poorly Drained</td><td>12.31</td><td>24.63</td></tr><tr><td>2</td><td>Blue Ridge, Piedmont, Outer Coastal Plain – Well Drained, Coastal Plain Lowlands, Karst Terrain</td><td>24.63</td><td>36.94</td></tr><tr><td>3</td><td>Inner Coastal Plain</td><td>49.26</td><td>73.89</td></tr></table> <p>Please see the MD geomorphic map <a href="#">here</a> to estimate which category applies to the project</p>	TN Reduction (lbs/ac/yr)				Category	Physiographic Subregion	Other Wetlands	Floodplain Wetlands	1	Appalachian Plateau, Ridge and Valley, Outer Coastal Plain – Poorly Drained	12.31	24.63	2	Blue Ridge, Piedmont, Outer Coastal Plain – Well Drained, Coastal Plain Lowlands, Karst Terrain	24.63	36.94	3	Inner Coastal Plain	49.26	73.89
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Wetland Creation <sup>3,4</sup>	<p>Acreage of wetland creation * (reported drainage area * 8.80 lbs/upland ac/yr). Otherwise, acreage of wetland creation * the appropriate multiplier from the table below:</p> <table><tr><th colspan="2">TN Reduction (lbs/ac/yr)</th></tr><tr><th>Other Wetlands</th><th>Floodplain Wetlands</th></tr><tr><td>8.80</td><td>13.19</td></tr></table>	TN Reduction (lbs/ac/yr)		Other Wetlands	Floodplain Wetlands	8.80	13.19														
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Wetland Rehabilitation <sup>3,4</sup>	<p>Acreage of wetland rehabilitation* (reported drainage area * 4.69 lbs/upland ac/yr). Otherwise, acreage of wetland rehabilitation * the appropriate multiplier from the table below:</p> <table><tr><th colspan="2">TN Reduction (lbs/ac/yr)</th></tr><tr><th>Other Wetlands</th><th>Floodplain Wetlands</th></tr><tr><td>4.69</td><td>7.04</td></tr></table>	TN Reduction (lbs/ac/yr)		Other Wetlands	Floodplain Wetlands	4.69	7.04														
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<sup>3</sup> Please note that wetland projects can only be applied to agricultural land use.

<sup>4</sup> Drainage area should be limited to 6 upland acres per acre created/rehabilitated for Floodplain; 4 upland acres per acre created/rehabilitated for Other/Headwater.

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Twenty-five (25) points will be awarded to projects resulting in a “high” TN reduction (greater than 2,000 lbs/year).

Fifteen (15) points will be awarded to projects resulting in a “medium” TN reduction (greater than 1,000 lbs/year but less than or equal to 2,000 lbs/year).

Five (5) points will be awarded to projects resulting in a “low” TN reduction (greater than 0 lbs/year but less than or equal to 1,000 lbs/year).

The table below outlines approximate equivalency examples for “high” and “medium” TN reductions for reference:

TN Reduction	RR <sup>4</sup> 1in	ST <sup>5</sup> 1in	WWTP → ENR	Septic → ENR	Riparian Buffer Restoration	Floodplain Wetland Creation
High	250 Impervious ac	155 Impervious ac	45,000 gpd	164 connections	56-220 ac	152 ac
Medium	130 Impervious ac	75 Impervious ac	22,000 gpd	82 connections	28-110 ac	114 ac

## Step 2.

Determine the RE of TN reduction resulting from the project by confirming the 8-digit watershed where the reduction will take place (for point source projects, this is the 8-digit watershed where the point of discharge is located; for nonpoint source projects, this is the 8-digit watershed where the project is located). Identify the corresponding RE for that 8-digit watershed in the “TN\_RelEffect” column of the most current RE spreadsheet provided by MDE’s Water and Science Administration (WSA).

Fifteen (15) points will be awarded to projects located in (or discharging to) an 8-digit watershed in which the TN reduction is “most effective” (RE greater than 7.5).

Fifteen (15) points will be awarded to projects located in (or discharging to) one of the Maryland Coastal Bays Watersheds that help develop and implement a comprehensive conservation and management plan under §320 of the Clean Water Act.

Ten (10) points will be awarded to projects located in (or discharging to) an 8-digit watershed in which the TN reduction is “more effective” (RE greater than 5.5 but less than or equal to 7.5).

Five (5) points will be awarded to projects located in (or discharging to) an 8-digit watershed in which the TN reduction is “moderately effective” (RE greater than 3.5 but less than or equal to 5.5).

Add the points awarded in Steps 1 and 2 to yield the Section I score.

## **Section II – Public Health and Safety Benefits (Maximum 40 points)**

This section recognizes projects that address the public health and safety hazards posed by water quality problems, flooding, and climate change. Points are awarded in only one category. If more than one is applicable, the higher of the points will be awarded.

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<sup>4</sup> Runoff Reduction

<sup>5</sup> Stormwater Treatment

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Forty (40) points will be awarded to a project that mitigates

- A documented public health emergency or confirmed repeated contamination of a drinking water supply by E. coli, fecal coliform, or nitrate above drinking water Maximum Contaminant Level (MCL); or
- Harmful Algal Blooms (HABs) above the EPA recommended Microcystin WQ criteria of 8 ug/l; or
- Human exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants in the environment (other than drinking water) via an eligible use under section 603(c) of the Federal Water Pollution Control Act

as confirmed by documentation submitted by the applicant (e.g., lab report, environmental health department inspection report, specific reference in an administrative/judicial/consent order).

Twenty-five (25) points will be awarded to a project that mitigates confirmed repeated contamination of surface water, groundwater, or a drinking source water supply (other than as noted above), as confirmed by documentation submitted by the applicant (e.g., lab report, environmental health department inspection report, specific reference in an administrative/judicial/consent order).

OR

Twenty-five (25) points will be awarded to a CWSRF-eligible stormwater project that provides flood control and assists in mitigating repeated flooding events (more than once in a five year period) that threaten public safety, as confirmed by documentation submitted by the applicant (this can include FEMA maps, studies, etc).

Fifteen (15) points will be awarded to a project that mitigates fecal bacteria pollution within a watershed containing a shellfish harvesting area that has been closed in the past 3 years, as confirmed by documentation submitted by the applicant and MDE's fish and shellfish advisory programs.

Ten (10) points will be awarded to a project that can be presumed to mitigate public health and safety hazards posed by water quality problems, flooding, and climate change. (Explanation, but no documentation, required).

### **Section III – Water Quality/Public Health Compliance (Maximum 20 points)**

This section acknowledges water quality projects being undertaken in accordance with a compliance requirement. Points are awarded in only one category. If more than one is applicable, the higher of the points will be awarded.

Twenty (20) points will be awarded to a project that is required by a final administrative or judicial order, as supported by documentation submitted by the applicant and confirmed by MDE WSA's Compliance Program.

Ten (10) points will be awarded to a project which can be credited towards a Municipal Separate Storm Sewer System (MS-4) Permit, as supported by documentation submitted by the applicant and confirmed by MDE WSA's Stormwater Program.

Ten (10) points will be awarded to a project that is required to achieve new (more restrictive) limits in a National Pollutant Discharge Elimination System (NPDES) or State Groundwater Discharge permit, as

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supported by documentation submitted by the applicant and confirmed by MDE WSA's Wastewater Permits Program.

Ten (10) points will be awarded to a project that is required to repair a dam that is unsafe or at risk of imminent failure, as supported by documentation submitted by the applicant and confirmed by MDE WSA's Dam Safety Program, provided that the project protects downstream water quality.

Ten (10) points will be awarded to a project which can be credited towards

- The Chesapeake Bay Total Maximum Daily Load (TMDL) and is consistent with a Local Area Sector Goal, as confirmed by documentation submitted by the applicant (project must be located within – or discharging to - the Chesapeake Bay Watershed to be eligible for these points); or
- The Comprehensive Conservation Plan for Maryland's Coastal Bays, as confirmed by documentation submitted by the applicant (project must be located within – or discharging to - Maryland's Coastal Bays Watershed to be eligible for these points); or
- A TMDL completed for an 8-digit basin listed as impaired by Total Nitrogen, Total Phosphorus, sediments, bacteria, and/or temperature as supported by documentation submitted by the applicant and confirmed by a listing category of 4a in the current final Integrated Report of Surface Water Quality (project must be located within – or discharging to – the impaired basin for which the TMDL was completed and serve to curtail the pollutant to be eligible for these points); or
- Addressing a listing category of 4c in the current final Integrated Report of Surface Water Quality where the biological integrity is stressed by stream channelization or lack of riparian buffer as supported by documentation submitted by the applicant and confirmed by the Integrated Report (project must be located within – or discharging to – the impaired basin and be for curtailing/removing channelization or planting riparian buffers to be eligible for these points).

#### **Section IV – Nitrogen Removal Cost Efficiency (Maximum 30 points)**

This section gives priority to the most cost-efficient projects per pound of nitrogen reduced. For points to be awarded in this section, the project must be of a type listed in Section I. Nitrogen removal cost efficiency in this section is calculated as:

(Total project cost \$/20 years)/lb per year TN reduction calculated in Step 1 of Section I

Thirty (30) points will be awarded to projects with a “low” annualized capital cost \$/lb per year (less than or equal to \$50/lb TN per year).

Fifteen (15) points will be awarded to projects with a “medium” annualized capital cost \$/lb per year (greater than \$50/lb TN per year but less than or equal to \$100/lb TN per year).

Projects with a “high” annualized capital cost \$/lb TN per year (greater than \$100/lb TN per year) will not be awarded points in this section.

## **Section V – Co-Benefits (Maximum 70 points)**

Points awarded for all applicable with 70 points maximum.

### Climate Mitigation, Adaptation and Resiliency

Ten (10) points will be awarded to a project that increases the resilience of treatment works to manmade or natural disasters, such as extreme weather events and sea-level rise. These projects include those shown on page 8 of the [“Overview of CWSRF Eligibilities”](#) document and connection of septic systems in the Critical Area (i.e., all land within 1,000 feet of Maryland’s tidal waters and tidal wetlands) to a public sewer as supported by explanation and – for septic connections - a Critical Area map clearly showing the Critical Area boundary and the septic systems within to be connected.

Ten (10) points will be awarded to a project that will provide for an energy use reduction or alternate energy generation, as supported by calculations provided by the applicant.

Ten (10) points will be awarded to a project consolidating two or more systems, as supported by explanation.

The following points will be awarded to a project that is being undertaken by a community that can demonstrate it is rated in the [National Flood Insurance Program’s Community Rating System](#):

- Class 6 or lower: Ten (10) points
- Class 7 or higher: Five (5) points

The following points will be awarded to a project that will reduce risk of flood or coastal hazards in communities within counties identified as “at risk” per the regional risk maps in Appendix D II of the 2021 State Hazard Mitigation Plan. Due to the large file size of the document, the pertinent risk maps have been extracted and are posted [here](#).

- Project in an area of high risk to flood or coastal hazards: Ten (10) points
- Project in an area of medium-high or medium risk to flood or coastal hazards: Five (5) points

### Sustainability

This section gives priority to projects that provide for “sustainable development” – development that, per the U.N. World Commission on the Environment and Development, “meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Ten (10) points will be awarded to a project that benefits the needs of the existing community:

- Expansion less than 20% EDU growth (or increase in design capacity for sewerage projects, including “decentralized” wastewater treatment systems), or
- Expansion greater than 20% growth is for new development or redevelopment to support sustainable community (i.e., proximity to a transit station, a [Base Realignment and Closure \(BRAC\) Revitalization and Incentive Zone](#), a Brownfield revitalization area, a [Department of Housing and Community Development \(DHCD\)-designated Sustainable Community](#), or a [DHCD-designated Maryland Main Street](#))

Ten (10) points will be awarded to a project for which at least 50 percent of the project cost or project scope must serve, protect, or benefit an Environmental Justice or overburdened community as identified by a Socioeconomic Score (Distribution Across Maryland) of 75 or more using [MDE’s Environmental Justice Tracking Tool](#).

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Ten (10) points will be awarded to a project that provides for reuse/recycling of stormwater, wastewater, or treatment products (e.g., biosolids/biogas for energy generation, treated effluent or stormwater reuse etc.).

Ten (10) points will be awarded to a project to which funding from another agency (e.g., USDA Rural Development, MD DHCD Community Development Block Grant, EPA WIFIA, Department of Natural Resources, FEMA/EMMA) is confirmed in writing as committed funding or pending.

### **Public Participation**

A 30-day public comment period for draft Revision 6 IPPS begins on November 21, 2022 and ends at midnight on December 20, 2022. Draft Revision 6 will be emailed to MWIFA's contact list at the start of the comment period and posted for the full 30 days on [MWIFA's website](#).

Comments and questions on Draft Revision 6 IPPS may be submitted via e-mail to [mde.wqfa\\_announcement@maryland.gov](mailto:mde.wqfa_announcement@maryland.gov). All comments received will be included in a responsiveness summary.