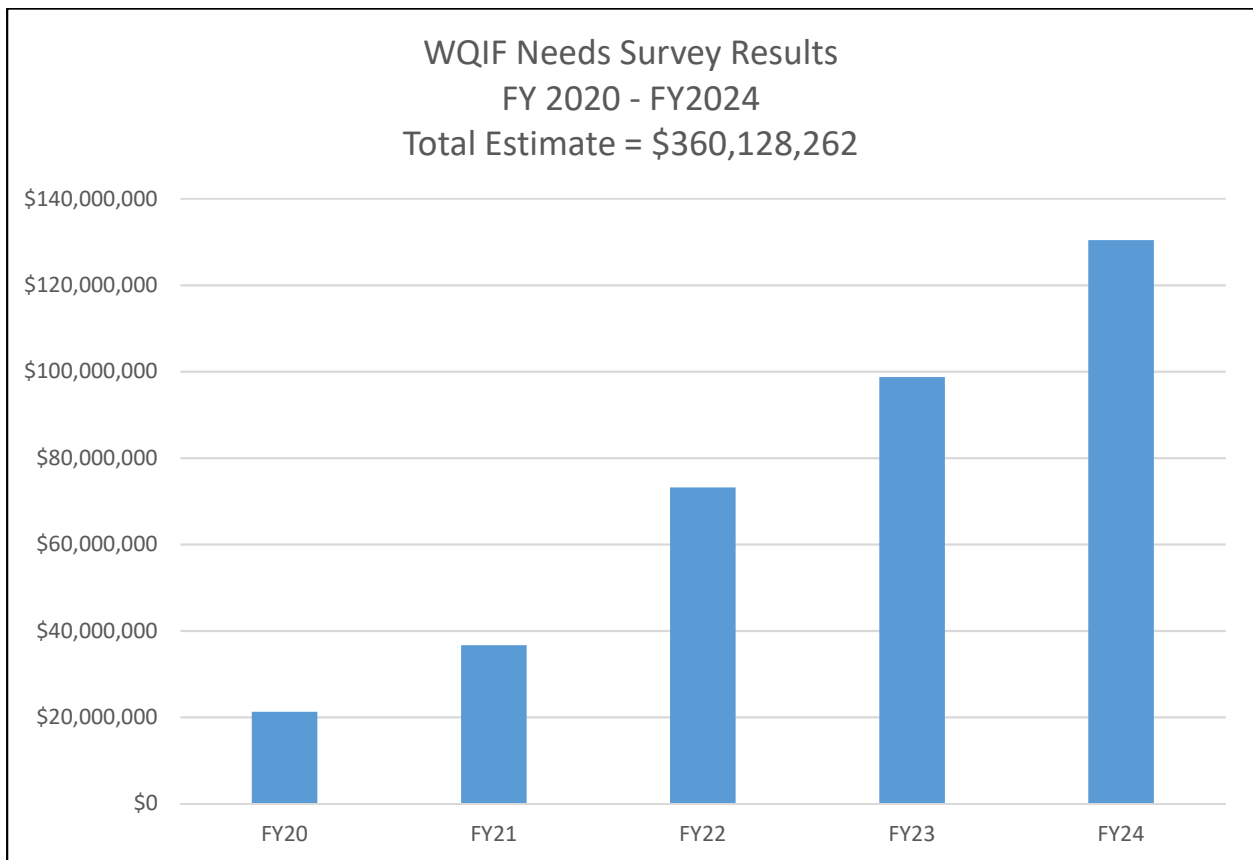


Annual Funding Needs for Water Quality Improvement Fund (WQIF) Point Source Grants

The Water Quality Improvement Fund (WQIF) is a special permanent, nonreverting fund established to provide Water Quality Improvement Grants in accordance with the provisions of the Virginia Water Quality Improvement Act of 1997. In accordance with § 10.1-2134.1 of the *Code of Virginia* the Department of Environmental Quality, in consultation with stakeholders, including representatives of the Virginia Association of Municipal Wastewater Agencies, local governments, and conservation organizations, is required to annually determine an estimate of the amount of Water Quality Improvement grant funding expected to be requested by local governments for projects that are related to point source pollution and are eligible for grant funding. For the fiscal years 2020 to 2024, an estimate of \$742 million may be required from state funds as well as locality financial contributions to meet water quality goals. Approximately 48.5% of this total (\$360 million) could be needed from the WQIF.



The methodology for estimating the amount of Water Quality Improvement grant funding expected to be requested by local governments was established by DEQ in consultation with wastewater stakeholders including Virginia Association of Municipal Wastewater Agencies (VAMWA), Virginia Municipal League (VML), Virginia Association of Counties (VACO), Chesapeake Bay Foundation (CBF), Virginia Forever, Northern Virginia Regional Commission (NVRC), James River Association (JRA), and Virginia Association of Planning District Commissions. An electronic survey was created in consultation with stakeholders and distributed to significant dischargers in the Chesapeake Bay watershed. The survey requested: 1) general information, 2) programmatic level information, and 3) total project cost with no time horizon. General information included facility name and contact information. Programmatic information was requested on future WQIF funding needs over a five year time horizon (FY 2020 to FY 2024). This timeframe was selected

because it generally aligns with the time horizons of typical Capital Improvement Plans (CIP). Total estimated project costs were also requested with no specified time horizon. This amount is assumed to include costs needed for the entire project beyond FY 2024.

A total of 19 responses to the survey were received identifying a programmatic funding need over the five year time horizon and total project costs. Programmatic funding need amounts were then multiplied by the estimated eligible grant percentage to determine the WQIF eligible funding need. The grant percentage from the previous WQIF grant for each locality was utilized for the calculation. Total estimated project costs were also multiplied by the estimated eligible grant percentage for each locality to determine the total WQIF eligible funding need. Two respondents had not previously received a WQIF grant, an assumed grant percentage of 50% was utilized for these two responses.

The amount of programmatic funding needed through FY 2024 totals \$742,271,085. Based on the estimated eligible grant percentage for each respondent, the amount of programmatic WQIF point source funding needed through FY 2024 is \$360,128,262. The current amount of WQIF point source funding available is \$10,500,000. The following is a breakdown of WQIF point source funding need by fiscal year:

FY 2020 – \$21,201,452
FY 2021 – \$36,608,609
FY 2022 – \$73,163,467
FY 2023 – \$98,718,140
FY 2024 – \$130,436,594

WQIF Grants	2019 WQIF Needs Survey Results					
	FY20	2021-2022 Biennium		2023-2024 Biennium		Adjusted Total Need (2020 - 2024)
		FY21	FY22	FY23	FY24	
Applicant	\$21,201,452	\$36,608,609	\$73,163,467	\$98,718,140	\$130,436,594	\$360,128,262
Available Funding	\$10,500,000					
TOTALS	\$10,701,452	\$109,772,076		\$229,154,734		\$349,628,262

The total estimated project costs identified by respondents is \$1,411,478,367. Of that total, the amount of WQIF eligible project costs is estimated to be \$1,213,079,073. Based on the estimated eligible grant percentage for each respondent, the amount of WQIF point source funding needed with no specified time horizon totals \$627,558,055.

2019 WQIF Needs Survey Results - Total Project Costs (no time horizon)		
Est Total Project Costs	WQIF Eligible Project Costs	Est Eligible Grant Amount
\$1,411,478,367	\$1,213,079,073	\$627,558,055

In order to improve upon the data collection methods, DEQ, with stakeholder participation, intends to re-evaluate the methodology utilized to determine the estimate of WQIF point source grant requests prior to conducting the needs assessment next year.