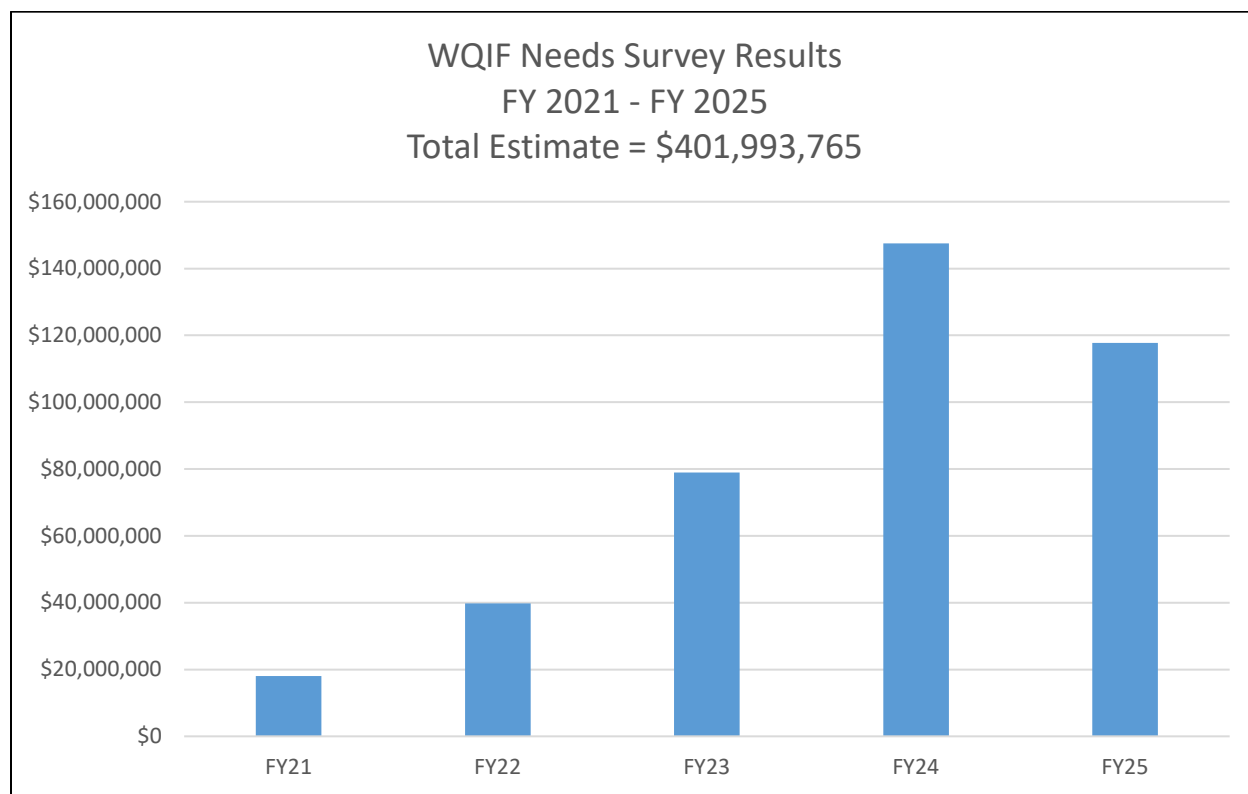


Annual Funding Needs for Water Quality Improvement Fund (WQIF) Point Source Grants

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 (VAMWA), 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 2021 to 2025, an estimate of \$770 million may be required from state funds as well as locality financial contributions to meet water quality goals. Approximately 52% of this total (\$402 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 from VAMWA. An electronic survey was created in consultation with stakeholders and distributed to significant dischargers in the Chesapeake Bay watershed. During the survey period two virtual tutorial and question and answer sessions were held with the VAMWA membership. The survey requested: 1) general information, 2) programmatic 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 2021 to FY 2025). 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 2025.

A total of 29 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 for each respondent 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, but were assigned percentages based on data available for their respective locations.

The overall project costs for those anticipating to request WQIF funds total \$769,972,729 through FY 2025. Based on the estimated eligible grant percentage for each respondent, the amount of programmatic WQIF point source funding needed through FY 2025 is \$401,993,765. The following is a breakdown of WQIF point source funding need by fiscal year:

FY 2021 – \$18,018,474
FY 2022 – \$39,792,860
FY 2023 – \$78,961,097
FY 2024 – \$147,518,333
FY 2025 – \$117,703,000

These amounts include estimated funding needed for facilities to meet current permit limits and funding needed for future Chesapeake Bay WIP Phase III floating waste load allocations. Additionally, needs were included for nutrient removal technology and wastewater conveyance infrastructure projects.

WQIF Grants	2020 WQIF Needs Survey Results					
	2021-2022 Biennium		2023-2024 Biennium		2025	Total Need (2020 - 2025)
	FY21	FY22	FY23	FY24	FY25	
Applicant	\$18,018,474	\$39,792,860	\$78,961,097	\$147,518,333	\$117,703,000	\$401,993,765
TOTALS	\$57,811,334		\$226,479,430		\$117,703,000	\$401,993,765

The total estimated project costs identified by respondents is \$1,233,697,484. Of that total, the amount of WQIF eligible project costs is estimated to be \$790,972,729. Based on the estimated eligible grant percentage for each respondent, the amount of WQIF point source funding needed with no specified time horizon totals \$409,343,765.

2020 WQIF Needs Survey Results - Total Project Costs (no time horizon)		
Est Total Project Costs	WQIF Eligible Project Costs	Est Eligible Grant Amount
\$1,233,697,484	\$790,972,729	\$409,343,675

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.