COMMONWEALTH OF VIRGINIA

Department of Environmental Quality

Subject: Guidance Memo No. #6130 – **Stormwater Local Assistance Fund Program Guidelines**

To: Clean Water Financing and Assistance Program Staff

From: Meghan Mayfield, Clean Water Finance and Assistance Program Director

Date: May 12, 2026

Copies: Karen Doran, Lauren Linville

Summary:
The Virginia Department of Environmental Quality (DEQ or Department) Clean Water Financing and Assistance Program (CWFAP) implemented changes to the Stormwater Local Assistance Fund (SLAF or "the Fund") program via memo dated October 25, 2024. CWFAP implemented the changes to increase overall transparency and reduce the timeframe between project authorization and grant agreement execution. Based on internal analysis and stakeholder feedback, CWFAP is updating the SLAF Program Guidelines (Guidelines) to reflect the full implementation of the changes. Included in these revised Guidelines is detailed guidance about the phased approach to grant agreement development, which organizes the required submittals prior to grant agreement execution into three phases: Phase 1 – Project Information, Phase 2 – Planning Information, and Phase 3 – Final Project Cost Information.

The Guidelines also outline guidance for the initial meeting and post-construction processes. DEQ will execute grant agreements following receipt of acceptable Phase 1 documentation. If necessary, DEQ will modify grant agreements following receipt of acceptable Phase 3 documentation. Additionally, CWFAP has made minor edits to the existing Guidelines to continue to clarify processes and outline procedures for both grantees and DEQ.

This document replaces the previous version of the Guidelines, dated June 24, 2022.

Electronic Copy:
Once effective, an electronic copy of this guidance will be available on:

- The Virginia Regulatory Town Hall under the Department of Environmental Quality
- The Department's Stormwater Local Assistance Fund webpage

Contact Information:
Please contact CWFAP at CWFAP@deq.virginia.gov, or David A. Taylor, State Technical Compliance Specialist at (757) 705-8293 or david.a.taylor@deq.virginia.gov, with any questions regarding the application of this guidance.

Certification:
As required by Subsection B of § 2.2-4002.1 of the Administrative Process Act (APA), the agency certifies that this guidance document conforms to the definition of a guidance document in § 2.2-4101 of the Code of Virginia.

Disclaimer:
This document is provided as guidance and, as such, sets forth standard operating procedures for the agency. It does not mandate or prohibit any particular action not otherwise required or prohibited by law or regulation. If alternative proposals are made, such proposals will be reviewed and accepted or denied based on their technical adequacy and compliance with appropriate laws and regulations.

STORMWATER LOCAL ASSISTANCE FUND - ENABLING LEGISLATION

To reduce non-point source pollution from stormwater runoff, the Virginia General Assembly included Item 360 in Chapter 860 of the 2013 Acts of Assembly (the Commonwealth's 2013-2014 Budget), which created and set forth specific parameters for the administration of the Stormwater Local Assistance Fund (SLAF). With the consolidation of water quality programs with the State Water Control Board (SWCB) through HB 2048 (2013) and SB 1279 (2013) (2013 Va. Acts Chs. 756 and 793), administration of the SLAF resides with the SWCB and the Department of Environmental Quality (DEQ or Department). The SLAF has been continued in the Commonwealth's subsequent budgets; currently budget language that authorizes the continuation of the SLAF is included in Item 365 of Chapter 725 of the 2025 Acts of Assembly. In addition, the SLAF is codified at § 62.1-44.15:29.1 of the Code of Virginia.

Section 62.1-44.15:29.1 of the Code of Virginia provides that:

The purpose of the Fund is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads. Moneys in the Fund shall be used to meet (i) obligations related to the Chesapeake Bay total maximum daily load (TMDL) requirements, (ii) requirements for local impaired stream TMDLs, (iii) water quality measures of the Chesapeake Bay Watershed Implementation Plan, and (iv) water quality requirements related to the permitting of small municipal separate storm sewer systems. The grants shall be used solely for stormwater capital projects, including (a) new stormwater best management practices, (b) stormwater best management practice retrofitting or maintenance, (c) stream restoration, (d) low-impact development projects, (e) buffer restoration, (f) pond retrofitting, and (g) wetlands restoration. Such grants shall be made in accordance with eligibility determinations made by the Department pursuant to criteria established by the Board. Grants awarded for projects related to Chesapeake Bay TMDL requirements may take into account total phosphorus reductions or total nitrogen reductions. Grants awarded for eligible projects in localities with high or above average fiscal stress as reported by the Commission on Local Government may account for more than 50 percent of the costs of a project.

The Stormwater Local Assistance Fund is administered by DEQ as described in 365 of Chapter 725 of the 2025 Acts of Assembly.

C.1. The State Comptroller is authorized to continue the Stormwater Local Assistance Fund as established in Item 360, Chapter 806, 2013 Acts of Assembly. The fund shall consist of bond proceeds from bonds authorized by the General Assembly and issued pursuant to Item C-39.40 in Chapter 806, 2013 Acts of Assembly, Item C-43 of Chapter 665, 2015 Acts of Assembly, Chapter 759, 2016 Acts of Assembly, Item C-48.10 in Chapter 854, 2019 Acts of Assembly, Item C-70, Chapter 1289, 2020 Acts of Assembly, and Item C-80 in Chapter 2, 2022 Acts of Assembly, Special Session I; sums appropriated to it by the General Assembly; and other grants, gifts, and moneys as may be made available to it from any other source, public or private. Interest earned on the moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

2. The purpose of the Fund is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads. Moneys in the Fund shall be used to meet: i) obligations related to the Chesapeake Bay total maximum daily load (TMDL) requirements; ii) requirements for local impaired stream TMDLs; iii) water quality requirements of the Chesapeake Bay

Watershed Implementation Plan (WIP); and iv) water quality requirements related to the permitting of small municipal stormwater sewer systems. The grants shall be used only for the acquisition of certified nonpoint nutrient credits and capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration.

D. The grants shall be used only for the acquisition of certified nonpoint nutrient credits and capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the State Water Control Board under the authority of the Department of Environmental Quality.

DEQ's Clean Water Financing and Assistance Program (CWFAP), on behalf of the SWCB, has developed these Guidelines and will administer the SLAF. These Guidelines and the Grant Agreements awarding funds from the SLAF are supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and do not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the SWCB, DEQ, or the Director of DEQ.

GRANT APPLICATION / AWARD OVERVIEW

CWFAP will solicit applications for SLAF grants once each year for which a state appropriation is available or there are monies remaining in the Fund from unused appropriations, interest earned on monies in the Fund, and/or civil penalties and civil charges collected by the Board, paid into the state treasury and credited to the Fund, pursuant to §§ 62.1-44.15:25, 62.1-44.15:48, 62.1-44.15:63, 62.1-44.15:74, subdivision (19) of § 62.1-44.15, and § 62.1-44.19:22.

Absent extraordinary circumstances, which may require a change, the solicitation period for applications for SLAF grants will be announced by DEQ no later than August 1, the application deadline will be on October 1, and award decisions will be announced by DEQ no later than February 1. In the event one of these milestones occurs on a day that is not a regular business day for state offices, the deadline will move to the following regular business day. CWFAP will only consider requests for SLAF grants if the completed application form and all necessary initial support documentation is submitted in the manner specified by the Department in the memo for the applicable fiscal year's solicitation.

To ensure a fair, consistent, and timely evaluation process, applicants are responsible for submitting complete and accurate applications, including all materials and documentation required to demonstrate the project's status under the Priority Ranking Criteria herein and in Appendix A. CWFAP may not consider an application for ranking or may deem an application as ineligible for funding if it is not received electronically or postmarked by the required date, and/or incomplete, internally inconsistent, or otherwise insufficient. Applicants are strongly encouraged to carefully review all requirements and submit a comprehensive, well-supported application package to facilitate efficient review and fair consideration in the competitive ranking process.

Applications should reflect a fully developed conceptualization of the proposed project. Applicants are expected to submit proposals that clearly demonstrate feasibility, technical soundness, and readiness. By requiring complete and accurate applications, CWFAP seeks to ensure that funded projects are well planned, appropriately scoped, and capable of successful implementation. CWFAP understands that questions may arise during application preparation, and, in limited circumstances, CWFAP staff may request additional or supplemental information during the review period. Applicants should not rely on this discretionary process to cure major deficiencies. CWFAP will limit requests for supplemental

information to items necessary to clarify otherwise complete submittals. Failure to respond to a CWFAP staff request for additional information during the evaluation and scoring process within the time frame specified in the request will disqualify a project for award during the current solicitation period.

CWFAP will review eligible applications and rank them in accordance with the priority ranking criteria provided in these Guidelines. Based on that ranking process and with consideration to providing the greatest financial and environmental benefit to as many communities as practicable, the DEQ Director will authorize a project funding list. The authorized funding list (including the recipient name, grant amount, and priority point totals) will be posted on the DEQ website. CWFAP will then issue Letters of Authorization (conditional approval) to all recipients on the authorized project funding list so that they may proceed with their projects.

CWFAP will initiate Grant Agreements following the process described in the Program Requirements section below. In the case where a Grantee has multiple projects, DEQ will execute one Grant Agreement per project. If, at any time, required submissions are not received by the assigned deadline, authorization of funding for the project may be withdrawn. Local governments may submit applications for projects previously deemed as ineligible or grant authorizations that expired or were withdrawn in future solicitation cycles without prejudice.

ELIGIBLE APPLICANTS

Local governments, meaning any county, city, town, municipal corporation, authority, district, commission, or political subdivision created by the General Assembly or pursuant to the Constitution or laws of the Commonwealth, are eligible to apply for cost-share from the SLAF.

ELIGIBLE PROJECTS

Grant applications must be supported by a need that addresses an existing stormwater pollution problem as described in § 62.1-44.15:29.1 of the Code of Virginia or the relevant budget language. Grant applications received that are solely supported by the economic development needs of an area or an entity may be excluded from funding participation. DEQ may reduce grant eligibility and/or the scope and size of a project to ensure the greatest financial and environmental benefit to as many communities as possible.

To be eligible for funding, the project's construction must not have reached substantial completion before August 1 of the fiscal year for which funding is requested. Project activities, including construction, completed outside of a fully executed grant agreement are considered "at your own risk".

Eligible projects are capital projects for reducing and treating stormwater runoff as identified in Appendix A. As described in the Program Requirements section below, projects must receive appropriate permitting to be eligible for funding, and evidence of the appropriate permitting (such as a U.S Army Corps of Engineers Nationwide 27 or Individual Permit, Construction General Permit, VWP General or Individual Permit, etc.) must be furnished with the Planning Information Submittals (Phase 2)..

Item 365 in Chapter 725 of the 2025 Acts of Assembly authorizes the use of the SLAF to fund the purchase of nonpoint source nutrient credits. The purchase of nonpoint source nutrient credits will be eligible only in funding cycles where the appropriation language allows its eligibility. Only permanent nonpoint source nutrient credits that have been certified by DEQ will be considered eligible for SLAF funding. Funding for the purchase of certified nonpoint source nutrient credits may be limited to no more than 25% of available funds in a given funding cycle.

The DEQ Director reserves the right to set a maximum allowed cost per pound of total phosphorous (TP) or total nitrogen (TN) removed (or purchased) based on the pool of applications received during any given funding cycle.

GRANT PERCENTAGE

Based on the Code of Virginia and related administrative regulations, a matching grant is defined as a funding mechanism where the recipient must provide a specific portion of the total project cost, often termed "local share" or "matching contributions" to unlock the grant award.

The DEQ Director will authorize grants of up to 50% of the eligible costs of planning, design, and implementation of approved projects, including nutrient credit purchase. The Grantee must demonstrate it has 50% matching funds that will be available to support the project. Grantees may use loan funds from the Virginia Clean Water Revolving Loan Fund as a source for the local match under the guidelines issued for that program. Grants awarded for eligible projects in localities with high or above average fiscal stress[1] may account for more than 50% of the costs of the project.

ALLOWABLE GRANT AMOUNT

The minimum grant amount per local government is $50,000 and the maximum grant amount per local government is $5,000,000. The minimum and maximum grant amounts may be adjusted at the discretion of the DEQ Director.

GRANT ELIGIBLE EXPENSES

The SLAF program allows for any reasonable and necessary costs (as determined by DEQ) associated with the water quality elements of the stormwater management project, including all associated planning, design, permitting, inspection, and construction costs. Land acquisitions, easements, and/or rights-of-way that are an integral part of the project are eligible costs. Planning and design costs incurred on an approved project prior to the execution of a grant agreement are eligible costs provided they are necessary and directly attributable to the project, and any services or contracts are secured in accordance with State procurement requirements. DEQ will limit SLAF grant funding for professional services (e.g. planning, design, and construction oversight) expenses to no more than 35% of physical construction costs.

Any costs incurred prior to an executed Grant Agreement are considered “at your own risk” and may not be retroactively deemed eligible for reimbursement if they do not meet program requirements. DEQ will restrict SLAF grant reimbursements for construction contingency expenses to no more than 5% of the physical construction costs. In extraordinary circumstances, CWFAP may use its discretion to increase SLAF grant reimbursements for construction contingency above 5%.

INELIGIBLE GRANT COSTS

DEQ will not include the following expenses when determining the allowable amount of a SLAF grant:

1. Salaries and other expenses of local government employees. Force Account Labor is also ineligible.
2. Administrative costs such as supplies, rent, grant administration, travel and/or indirect costs.
3. Changes in the approved project scope, without written approval from DEQ that result in a significant impact on the overall cost or efficiency of the project, project schedule, Schedule 1, or any terms in the executed Grant Agreement.
4. Change orders not attributable to the project or involving duplication of effort or work. For

[1] Fiscal stress data are taken from the Commission on Local Government’s most recent *Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia’s Cities and Counties*, found at https://www.dhcd.virginia.gov/fiscal-stress

example, additional work and/or repairs during construction due to damage to the construction site from weather-related events.

5. Any cost or expenditure that is unnecessary, unreasonable, or unrelated to the water quality function of the project as determined by DEQ. Examples include pedestrian bridges or walkways, security fencing, parking areas, decorative hardscaping, non-project related utility relocations or upgrades, etc.
6. Costs of continued operation and/or maintenance of the project.
7. Any interest costs associated with funds borrowed for the planning, design, or construction of the project.
8. Costs associated with post-construction monitoring or inspections of the project.
9. Costs incurred for beautification or recreational purposes. Examples include fountains, walking paths, etc.
10. Any cost or expenditure required by a permit that is not directly affiliated with the project. Examples include business or operating licenses, signage, special use permits for groundbreaking ceremonies, etc.

REIMBURSEMENT

Disbursement of the grant funds will commence once the Grant Agreement has been signed by all parties and CWFAP notifies the Grantee of their eligibility to submit reimbursement requests. Disbursement of grant funds will be made on a periodic reimbursement basis. Reimbursement requests should be submitted at least quarterly; monthly requests are highly encouraged.

DEQ will review and approval all reimbursement requests prior to disbursement of funds. Grantees are strongly encouraged to attend disbursement training to prevent payment delays due to inaccurate and/or incomplete reimbursement requests. Grantees should submit reimbursement requests electronically in the manner specified by the Department.

PROGRAM REQUIREMENTS

The Grant Agreement includes the following requirements, which are applicable to all projects funded through the SLAF, *except* nutrient credit purchases. Refer to the Nutrient Credit Purchase section for detailed program requirements for nutrient credit purchases. At grant authorization, the Department will set specific dates as submittal deadlines for the corresponding Phases outlined below. Additionally, each project's Grant Agreement will contain a project schedule documenting project milestones.

If the Grantee is unable to meet the phase deadlines and/or the Grant Agreement project schedule, DEQ may rescind the Grant Agreement/authorization and request that the applicant reapply in a subsequent year. This is to ensure that grant funds are used consistently, appropriately, and expeditiously to resolve an immediate water quality need.

Grantee Onboarding and Pre-Construction Requirements

Grantees should have representative staff participate in a SLAF project initial meeting, which will detail specific deadlines, requirements, and commitments for participation in the program.

Phase 1 - Project Information Submittals

CWFAP's Phase 1 submittals confirm that project information submitted with the application is up-to-date and certifies Grantee compliance with the Virginia Public Procurement Act (VPPA). These are necessary for the Department to develop a Grant Agreement.

1. **Project Information Worksheet:** An updated Project Information Worksheet and as requested, any additional necessary information needed, allow CWFAP to initiate the Grant Agreement.
2. **Professional Services and Construction Procurement Certification:** A letter certifying that all goods and services for which the Grantee will be requesting reimbursement will be procured in accordance with the procedures outlined in the VPPA.

Phase 2 - Planning Information Submittals

Phase 2 is CWFAP's review of the project cost, design, and anticipated nutrient removal documentation provided by the Grantee to verify the project is aligned with the SLAF Guidelines. CWFAP will rely on Grantee staff and their consultants to demonstrate through Planning Information Submittals that the technical aspects of the project conform to the requirements of the Virginia Stormwater BMP Clearinghouse, Virginia Stormwater Management Handbook, Chesapeake Bay Program, and/or other practices listed in the SLAF Guidelines. As a result of this review, CWFAP may determine that the project is no longer eligible for funding due to significant changes to the project's calculated nutrient removal and/or increased project costs which would result in the cost per pound for nutrient removal being outside of the maximum removal cost per pound allowable for the applicable fiscal year solicitation cycle. Consequently, CWFAP may withdraw the project's authorization. Planning Information Submittals may include:

1. **Plans and Specifications Checklist:** A completed Plans and Specifications Checklist includes: project scope and description of work, plan review information, project details, project specifications information, plan approval and certification documentation, and project permitting documentation. The checklist may be updated from time to time.
2. **Local VESMP or VSMP Authority Plan Approval Letter:** A Local VESMP or VSMP Authority Plan Approval Letter certifies that the appropriate VESMP or VSMP authority has performed a review of the construction drawings, hydrologic and hydraulic computations, and supporting documentation to ensure compliance with the Stormwater Management Act, Erosion and Sediment Control Law, their attendant regulations, and related ordinances governing land disturbing activities. For projects located in a locality in which DEQ administers a VSMP on behalf of the locality (as described in 9VAC25-875-200), DEQ will produce an approval letter which may be provided in lieu of the Authority Plan Approval Letter, however, the locality will still be expected to conduct an erosion and sediment control review and provide the necessary approvals alongside the Authority Plan Approval Letter.
3. **Design Certification Form:** A Design Certification Form validates the project meets the appropriate design standards and specifications.
4. **Pollutant Credit Calculation Worksheet:** The Worksheet provides the necessary calculations to demonstrate the water quality pollutant load reductions achieved by the project.
5. **Electronic copy of the final stamped approved plans**
6. **One hard copy of the stamped plan set (11x17)**
7. **Final stamped approved project specifications**
8. **Surface Water Impact Certification Form:** A Surface Water Impact Certification Form attests the assessments used to determine whether any surface waters or wetland impacts are associated with the project.
9. **Environmental Permits:** State law and local ordinances require that all environmental permits must be in place prior to initiation of construction. Such permits include, but are not limited to: coverage under the General VPDES Permit for Discharges of Stormwater from Construction Activities (the Construction General Permit), Virginia Water Protection Program permits, Nationwide Permits, etc.

Phase 3 - Final Project Cost Information Submittals

Phase 3 submittals confirm the project's cost information after the bidding process. After review, the Department may initiate a Grant Agreement modification, if applicable. The Department cannot authorize an increase in the grant amount for the project. Project Cost Substantiation Documentation includes:

1. **Applicable land acquisition costs:** If SLAF grant funds will reimburse land acquisition costs, the Grantee must submit copies of the basic administrative reports and/or appraisals to substantiate the value of the land being purchased. If SLAF grant funds will reimburse easement acquisition costs, the Grantee does not need to submit an appraisal but should still provide documentation from the local government's real estate department or Commissioner of the Revenue to substantiate the cost of the easement acquisition.
2. **Executed engineering task orders**
3. **Construction contracts**
4. **Revised Schedule 1 and Total Project Budget:** The Schedule 1 and Total Project Budget must reflect the actual project costs and changes to cost categories.

Construction and Reimbursement Requirements

1. **Project Schedule:** The Grant Agreement will state that: the CWFAP Project Manager shall be notified of any schedule or cost changes throughout the project; up-to-date schedules and approved change orders shall be submitted to the CWFAP Project Manager as soon as available; and the Grantee shall provide the Notice to Proceed to the CWFAP Project Manager.
2. **Site Visits:** To gauge progress and compliance with approved plans and specifications, CWFAP staff will conduct site visits at various times throughout project construction. The CWFAP Project Manager will coordinate these visits with the Grantee. The Grant Agreement will require the Grantee to allow for CWFAP staff to periodically visit and inspect the site. Additionally, the Grant Agreement will provide that the Project Manager shall be invited to the pre-bid meeting, pre-construction meeting, and any routine progress meetings.
3. **Project Inspections:** The Grant Agreement will provide that during construction, the Grantee shall conduct regular project inspections. Inspections carried out by the Grantee may be performed by staff of the consulting engineering firm, third party inspection firm, or by qualified internal staff. These inspections will adhere to recognized industry standards and shall gauge construction progress, quality, and conformance with plans and specifications. Inspections are very valuable in claim resolution, change order negotiation, and ensuring that payments are made for work in place. Inspections shall be documented with construction progress reports that can be reviewed by CWFAP staff to gauge project progress in between site visits. The Grant Agreement will provide that the Grantee shall provide inspector contact information and project responsibilities to the CWFAP Project Manager.
4. **Responsibilities and Maintenance Plan**: The Grant Agreement will require the Grantee to develop provisions for the long-term responsibility, maintenance, and other techniques specified to manage the quantity and quality of runoff and require the Grantee to implement them (excluding nutrient credit purchases) utilizing recognized industry standards, guidance, or protocols (such as resources found in the Virginia Stormwater Management Handbook, the U.S. Environmental Protection Agency's EPA's website, Chesapeake Bay Program Expert Panel Reports, and inspection requirements within the Municipal Separate Storm Sewer System program). At a minimum, the plan must include the following:
    a. Identification of the entities (positions, departments, etc.) responsible for implementation of the plan. The Grantee must document that inspections must be performed by

sufficiently qualified personnel or personnel holding the appropriate certifications required by law or regulation;

b. A defined inspection frequency;
c. Instructions to inspect the project to verify that the project is continuing to function as designed (e.g., evaluating components of the project to ensure stability, integrity, and function as documented in the construction plans or as-builts, etc.);
d. Identification of appropriate thresholds to identify when maintenance or repair is needed for project components (e.g., example visual indications of bank erosion, departure of more than 10% of average as-built bank height, failure or collapse of banks, less than 80% ground or canopy cover in the restoration area, etc.);
e. Clearly defined roles and responsibilities and estimated timeframes for conducting maintenance and repairs to address deficiencies identified during inspections; and,
f. Procedures for conducting appropriate follow-up inspections to verify that maintenance and repairs addressed the identified deficiencies.

Long-term responsibility and maintenance requirements for stormwater management facilities located on private property shall be set forth in an instrument recorded in the local land records and shall be consistent with 9VAC25-875-130 of the Virginia Erosion and Stormwater Management Regulation. The Responsibilities and Maintenance Plan must be received no later than thirty (30) days from the date of the Notice of Substantial Completion and must be submitted prior to 100% disbursement.

5. **Project Completion:** The Grant Agreement will specify that the Department will hold disbursements at ninety-five percent (95%) of the total grant amount to ensure satisfactory completion of the project. Satisfactory completion includes the submittal of the Responsibilities and Maintenance Plan, Statement of Completion, and As-Built Record Drawing to the Grantee and CWFAP Project Manager, as well as a final site inspection by CWFAP staff that shows that the project is operating as intended and meets the approved project drawings submitted as part of the grant agreement approval process. As-Builts must be submitted to CWFAP within 60 days of completion of construction activities or a mutually agreed upon date by the Grantee and CWFAP. The As-Built report shall include a revised credit breakdown, meet recognized engineering standards, and be stamped by a Professional Engineer. Failure to submit project completion documents within required timeframes may result in forfeiture of the final reimbursement for the project.

6. **Post-Construction Monitoring and Evaluation:** Upon completion of the project's first full year of operation for structural Best Management Practices (BMPs) or third full year of operation for stream restorations, CWFAP will conduct a Verification Inspection to confirm the project remains functioning as intended and matches the as-built design. Reports documenting any project inspections by the locality conducted during the operation period should be submitted to CWFAP staff prior to the Verification Inspection (i.e. those required under the Municipal Separate Storm Sewer (MS4) permit for the locality). CWFAP will use best professional judgment, visual observations and inspection reports to determine if corrective actions are warranted. CWFAP staff will provide the Grantee with the Verification Inspection documentation following the inspection. If deficiencies warranting repair are documented during the Verification Inspection or in project inspection documents provided by the Grantee, the Grantee shall follow the procedures for addressing the deficiencies outlined in its grant agreement.

7. **Credits Created by SLAF Funded Projects**: The Grant Agreement will specify that any nitrogen and/or phosphorous nutrient credits generated from SLAF funded projects may be used by the Grantee, or a Grantee's partner on a project, to meet required reductions under the Chesapeake Bay Total Maximum Daily Load (TMDL) and/or requirements of their MS4 Permits, but shall not be used, sold, transferred, or exchanged for other purposes. For example,

phosphorous nonpoint source credits generated by a SLAF project cannot be used by the Grantee or any other entity for compliance with the Construction General Permit's post construction water quality requirements. The Grant Agreement will also specify that SLAF grants shall not be used to create stream or wetland mitigation credits.

NUTRIENT CREDIT PURCHASES

For the purchase of certified nonpoint source nutrient credits, the Grant Agreement will require each of the following documents: a purchase contract, an affidavit of sale, a bill of sale, and a copy of the paid invoice or proof of incurred cost for credit purchase. Nonpoint source nutrient credits purchased through a SLAF grant shall be certified pursuant to § 62.1-44.19:20 of the Code of Virginia.

COMPLIANCE AND ENFORCEMENT

If at any time CWFAP staff determines that the project may be in violation of any State or Federal laws or regulations, staff have a duty to inform the local Regional DEQ office and, as applicable, the DEQ Central Office Stormwater, Virginia Water Protection, Virginia Pollution Discharge Elimination System, and/or MS4 compliance/enforcement staff. Additionally, the Department may contact the Virginia Marine Resources Commission staff, the local district U.S. Army Corps of Engineers office, or other state or federal entities as appropriate.

PRIORITY RANKING CRITERIA

The Department will prioritize applications for grant assistance on a statewide basis. Stormwater projects or nonpoint source nutrient credit purchases which are the most cost effective and are expected to provide the greatest water quality benefit will be given the highest funding priority. The highest possible score shall be 600 points.

1. POLLUTANT REDUCTION (MAXIMUM 100 points)

Points will be based on the calculated reduction of total phosphorous (TP) and total nitrogen (TN) as a result of the proposed project. TP serves as the representative pollutant of concern for stormwater management compliance in the Commonwealth; however, some stormwater practices have been shown to be more effective at reducing TN. CWFAP staff will convert calculated or purchased TN reductions to TP reductions using methodologies derived from the Commonwealth of Virginia Chesapeake Bay TMDL Phase III Watershed Implementation Plan[2]. CWFAP staff will then assign points based on the sum total of the reductions. The established methodology for calculating the TP and TN reduction for stormwater management projects is outlined in Appendix A. For stream restorations, please note that application estimated load reductions must be based on a restoration effectiveness of 50%.

2. COST EFFECTIVENESS (MAXIMUM 200 points)

Points will be based on the projected cost of the project divided by the combined pollutant reduction as calculated in Section I.

3. IMPAIRED WATER BODIES (MAXIMUM 100 points)

Points will be based on the location and impact of the proposed project in relation to priority water bodies

[2] The Commonwealth of Virginia Chesapeake Bay TMDL Phase III Watershed Implementation Plan is a planning document for attaining nutrient and sediment reductions needed to restore the Chesapeake Bay and its tidal tributaries and is available at https://www.deq.virginia.gov/home/showpublisheddocument/4481/637469262077670000

in the state. **Note: These categories (a – b) are additive**.

a. Project is directly related to the requirements of the Chesapeake Bay TMDL 60 pts.

b. Project is directly related to requirements of a local impaired stream TMDL 40 pts.

or

c. Project is directly related to a local impaired stream without a TMDL 20 pts.

For the purposes of this category, "directly related" refers to whether the project is beneficial to addressing a TMDL, or in cases where a waterbody is listed as impaired but has no approved TMDL, "directly related" refers to whether the project is beneficial to addressing an impairment (e.g., a stream restoration may not be "directly related" to addressing a Polychlorinated Biphenyl TMDL or impairment). Applications should clearly document how a project is beneficial to addressing pollutants of concern in a TMDL or an impairment to receive points in this category. In instances where a project is neither located within a TMDL watershed nor an impaired waterbody segment, CWFAP staff will use best professional judgement to evaluate the project's proximity to a downstream impaired segment, if any, along the waterbody in which the project is located or discharges to.

4. FISCAL STRESS-(COLG Composite Stress Index) and Local Funding (MAXIMUM 75 points)

The Commission on Local Government's composite fiscal stress index illustrates a locality's ability to generate additional local revenues from its current tax base relative to the rest of the Commonwealth. For a given year, the fiscal stress of a locality can be gauged through a statistical averaging of relative stress scores. It takes into account revenue capacity, revenue effort, and median household income. CWFAP staff will assign a weighted average from the component scores to an applicant with a project serving more than one jurisdiction (such as public service authorities or towns located in two counties).

a. Based on the latest available Commission on Local Government composite fiscal stress index. CWFAP will assign town applicants the points of the surrounding county. CWFAP will assign a composite score using the fiscal stress index scores of the local governments organized under municipal corporations, authorities, districts, commissions, or political subdivisions. 50 pts.

b. An applicant that has established a dedicated local funding/revenue mechanism for stormwater capital projects (e.g. a stormwater utility fee, a district tax fee for stormwater, etc.). A dedicated revenue mechanism would not include adopted budgets, Capital Improvement Plan (CIP) special funding, etc. 25 pts.

5. READINESS TO PROCEED (MAXIMUM 100 points)

It is important that grant recipients proceed quickly with their proposed projects. CWFAP staff will assign points for each planning activity under this category.

Stormwater Quality Projects: These categories (a - f) are additive.

a. Preliminary / Concept engineering completed (less than 100% design). 10 pts.

b. Design plans submitted (100% design) and under review by the locality. 10 pts.

c. Final design plans (100% design) approved by the locality. 10 pts.

d. Executed, unexpired engineering contract with approved task order issued or in-house engineering approved by applicant for this specific project. 20 pts.

e. Project specifically included in <u>most recent</u> Capital Improvement Plan, 25 pts.

TMDL Action Plan, or has otherwise been posted for public notice.[3]

f. All funding is in place for the local match and, if necessary, land and easements for the project have already been acquired, or land and easement acquisitions are not required.[4] 25 pts.

Non-Point Source Nutrient Credit Purchases: These categories (a - e) are additive.

a. Applicant has obtained written proposal(s) for the purchase of nonpoint source nutrient credits. 5 pts.

b. Written contract with a bank has been drafted for the purchase of nonpoint source nutrient credits. 10 pts.

c. Applicant has signed a contract with a bank to purchase a number of nonpoint source nutrient credits for a specific cost and are available within 6 months. 10 pts.

c. Applicant has signed a contract with a bank toto purchase a number of nonpoint source nutrient credits for a specific cost and are immediately available. 50 pts.

d. All funding is in place for local match 25 pts.

6. PHASE II (SMALL) MS4 (MAXIMUM 25 points)

The Phase II stormwater rule extends coverage of the Virginia Pollutant Discharge Elimination System (VPDES) stormwater program to certain "small" MS4s. The Phase II rule automatically covers on a nationwide basis all small MS4s located in "urban areas with a population of 50,000 or more people" as mapped by the Bureau of the Census (unless waived by the DEQ), and on a case-by-case basis.

a. Applicants that are regulated under the General Permit for the discharge of stormwater from Small MS4 systems (VAR04). 25 pts.

[3] For item e. above, the most recent Capital Improvement Plan, TMDL Action Plan, or other public notice should clearly document the proposed project. Unclear references or vague statements may not be considered as being included in the most recent Capital Improvement Plan, TMDL Action Plan, or other means of public notice.

[4] For item f above, "all funding is in place" refers to having clearly documented that funds are readily available or set aside for the local match. The application should also clearly distinguish whether land and easement acquisition is necessary for the project, and if so, whether the acquisitions are planned, in progress or already completed. Projects where land and easement acquisition is not necessary should clearly document this situation in the application.

METHODOLOGY FOR CALCULATING TOTAL PHOSPHORUS AND TOTAL NITROGEN REDUCTION

For the purpose of determining pollution reduction rankings, applicants shall submit expected reductions of total phosphorus (TP) and total nitrogen (TN) calculated as follows:

For Virginia BMP Clearinghouse or Stormwater Management Handbook BMPs and U.S. Environmental Protection Agency Chesapeake Bay Program BMPs:

1. Initial TP and TN loads (in pounds) shall be calculated on the Site Data tab of the latest Virginia Runoff Reduction Method (VRRM) Spreadsheet specified in 9VAC25-875-590 A.
    a. Instructions for using the Spreadsheet are available on DEQ's Stormwater Construction Guidance & VRRM webpage.
2. TP and TN load reductions (in pounds) shall be determined using the following methods, as specified:
    a. TN and TP removal efficiencies for BMPs listed in the Virginia Stormwater Management Handbook or BMP Clearinghouse are located in 9VAC25-875-590 B.
    b. Removal efficiencies for Chesapeake Bay Program BMPs may be found in Table 1 below.
    c. If the BMP being installed, enhanced, or converted cannot fully meet the design specifications for a BMP listed in the Virginia Stormwater Management Handbook and the Virginia Stormwater BMP Clearinghouse, then the BMP may either use the Chesapeake Bay Program BMP established efficiencies or the applicable Runoff Reduction (RR) or Stormwater Treatment (ST) retrofit equations or performance curves developed in the *Recommendations of the Expert Panel to Define Removal Rates for Urban Stormwater Retrofit Projects* (October 2012).

For Existing BMPs proposed for enhancement, conversion or retrofitting:

If an applicant proposed an enhancement, conversion, or retrofit of an existing BMP that was in place on or before June 30, 2009 (the baseline date for the Chesapeake Bay TMDL load allocations), only the incremental increase in pollutant reduction estimated consistent with the Recommendations of the Expert Panel to Define Removal Rates for Urban Stormwater Retrofit Projects (October 2012) will be eligible for scoring for this grant process. When estimating the pollutant removal for the existing BMP, applicants should determine whether the BMP was constructed to meet Virginia BMP Clearinghouse or Stormwater Management Handbook design standards (by consulting original construction plans, or as-builts, if available) and utilize the applicable pollutant loading, removal efficiencies and supporting data from the original construction plan or as-built. If original construction plans or an as-built are not available, Virginia BMP Clearinghouse or Stormwater Management Handbook removal efficiencies may only be used if the existing BMP possesses all of the applicable design criteria for the existing BMP. Additionally, if the original construction plans or an as-built are not available or found to be inaccurate or erroneous (e.g., changes to the contributing drainage area of the existing BMP), applicants should use the methodology described in paragraph 1 above to estimate the pollutant loading to the existing BMP. If the existing BMP was not constructed to meet Virginia BMP Clearinghouse or Stormwater Management Handbook design standards, the applicant may use methods described in paragraph 2b or 2c above to estimate the initial pollutant removal. Applicants may only apply downward modifications to the existing BMP's efficiency (for missing or substantially undersized major design elements) when using the Chesapeake Bay Program BMP efficiencies described in paragraph 2b above. Likewise, when

calculating the removal efficiencies for the converted, enhanced or retrofitted BMP, applicants should use removal efficiencies from the Virginia Stormwater BMP Clearinghouse or Stormwater Management Handbook (referenced in paragraph 2a above) only if all design criteria can be met; otherwise, the applicant may use the removal efficiencies referenced in paragraphs 2b or 2c above.

Land Use Change:

If the project constitutes a land use change (e.g., planting trees where impervious surface once existed, etc.), the initial and final TP and TN loads shall be calculated utilizing the Site Data tab of the VRRM Spreadsheet as directed in paragraph 11 above. The instructions for using the VRRM Spreadsheet, referenced in paragraph 1a above, describe the land use types in further detail. The achieved reduction is the difference between the initial and proposed TP and TN loads.

Urban Stream Restoration Required Information:

1. A written description of the site selection and assessment process for the project including documentation of pre-construction assessment including photographs of the reach of stream to be restored, Rosgen stream channel classification, watershed study including notable BMPs within the watershed, and conceptual design plans.
2. Site-level data collected consistent with the *September 2021 Unified Stream Restoration Guide* including:
    a. Project site specific estimated stream sediment erosion rate based on BANCS Method field surveys. To provide more consistency in BANCS assessments, practitioners are recommended to use the *TMDL Credit Reduction Workbook using BANCS and Protocol 1* spreadsheet provided in Appendix A of the *2020 Protocol 1 Expert Panel Report.*
    b. Project site specific stream bank soil bulk density.
    c. Project site specific stream bank soil TN and TP concentrations.

Site level values for bulk density and nutrient concentrations are to be inserted into the spreadsheet for calculating application estimated load reductions. Likewise, application estimated load reductions will only be accepted based on a restoration effectiveness of 50%.

Virginia Stormwater BMP Clearinghouse/Stormwater Management Handbook BMPs

Virginia Stormwater BMP Clearinghouse or Stormwater Management Handbook Non-Proprietary and Proprietary BMPs may be found at 9VAC25-875-590 B

Chesapeake Bay Program BMPs, Established Efficiencies

This section identifies removal efficiencies for Chesapeake Bay Program BMPs, obtained from Table 8-4 of the Chesapeake Bay Program's *Estimates of County-Level Nitrogen and Phosphorous Data for Use in Modeling Pollutant Reduction, Documentation for Scenario Builder Version 2.4*, revised January 2013. Numbers shown in parentheses represent scenarios where there was a differentiation in the source document between the minimum and maximum assigned removal efficiency. The number shown parenthetically represents the maximum value.

Table 1. Removal efficiencies for Chesapeake Bay Program BMPs

Practice	Total Phosphorus Mass Load Removal (TR, %)	Total Nitrogen Mass Load Removal (TR, %)
Wet Ponds and Wetlands	45	20
Dry Detention Ponds and Hydrodynamic Structures	10	5
Dry Extended Detention Ponds	20	20

Practice	Total Phosphorus Mass Load Removal (TR, %)	Total Nitrogen Mass Load Removal (TR, %)
Infiltration Practices w/o Sand, Vegetation	85	80
Infiltration Practices w/ Sand, Vegetation	85	85
Filtering Practices	60	40
Bioretention C/D soils, underdrain	45	25
Bioretention A/B soils, underdrain	75	70
Bioretention A/B soils, no underdrain	85	80
Vegetated Open Channels, C/D soils, no underdrain	10	10
Vegetated Open Channels, A/B soils, no underdrain	45	45
Bioswale	75	70
Permeable Pavement w/o Sand, Vegetation; C/D soils, underdrain	20	10 (20)
Permeable Pavement w/o Sand, Vegetation; A/B soils, underdrain	50	45 (50)
Permeable Pavement w/o Sand, Vegetation; A/B soils, no underdrain	80	75 (80)
Permeable Pavement w/ Sand, Vegetation; C/D soils, underdrain	20	20
Permeable Pavement w/ Sand, Vegetation; A/B soils, underdrain	50	50
Permeable Pavement w/ Sand, Vegetation; A/B soils, no underdrain	80	80

Chesapeake Bay Program BMPs Hydrogeomorphic Region Impacted Efficiencies

This section describes the Chesapeake Bay Program removal BMP efficiencies for wetland restorations, which vary depending on the hydrogeomorphic region listed below. This information was obtained from DEQ's Chesapeake Bay TMDL Special Condition Guidance Memo GM20-2003, revised February 2021.

Table 2. Chesapeake Bay Program's removal efficiencies for wetland restorations by Hydrogeomorphic regions

Practice	Hydrogeomorphic Region(s)	Total Phosphorus Mass Load Removal (TR, %)	Total Nitrogen Mass Load Removal (TR, %)
Wetland Restoration	Appalachian Plateau Siliciclastic	12	7
Wetland Restoration	Coastal Plain Dissected Uplands; Coastal Plain Uplands; Coastal Plain Lowlands	50	25
Wetland Restoration	Blue Ridge; Mesozoic Lowlands; Piedmont Crystalline; Piedmont Carbonate; Valley and Ridge Siliciclastic; Valley and Ridge Carbonate	26	14

Other Practices

The following table provides references to the calculation methodologies described for other practices not listed above.

Table 3. Methodologies for other practices

Practice	Reference
BMP Retrofits	Recommendations of the Expert Panel to Define Removal Rates for Urban Stormwater Retrofit Projects (January 2015)
Urban Stream Restoration	Consensus Recommendations for Improving the Application of the Prevented Sediment Protocol for Urban Stream Restoration Projects Built for Pollutant Removal Credit (February 2020)
Dry Channel Regenerative Stormwater Conveyance	Recommendations of the Expert Panel to Define Removal Rates for Individual Stream Restoration Projects (Protocol 4; September 2014)
Living Shoreline	Recommendations of the Expert Panel to Define Removal Rates for Shoreline Management Projects (November 2019)
Outfall and Gully Stabilization	Recommendations for Crediting Outfall and Gully Stabilization Projects in the Chesapeake Bay Watershed (October 2019)