

**State of New Jersey  
Department of Environmental Protection  
Clean Water Financing Program/State Revolving Fund**

**PROPOSED AMENDMENTS  
TO THE FFY2011 PRIORITY SYSTEM/INTENDED USE PLAN  
INCLUDING A “CALL FOR PROJECTS” DESIGNED TO REMOVE  
POLLUTANTS THAT ADVERSELY IMPACT THE BARNEGAT BAY**

**Introduction**

In August 2010, the Department issued its FFY2011 Clean Water Priority System Intended Use Plan and Project Priority List document to solicit interest in the FFY2011/SFY2012 Financing Program and explain the Department’s funding policies for the forthcoming financing cycle. The proposal was open for public comment and, on October 4, 2010, sponsors of 87 projects totaling more than \$593 million submitted initial requests for funding.

On December 9, 2010 and after the close of the comment period on the FFY2011 Clean Water Priority System proposal, Governor Chris Christie unveiled a comprehensive plan of action to address the short and long term ecological health of Barnegat Bay. The Barnegat Bay watershed encompasses most of the 33 municipalities in Ocean County and four towns in Monmouth County. Its 75-square mile environmentally sensitive estuarine system consists of aquatic vegetation, shellfish beds, finfish habitats, and waterfowl nesting grounds, as well as a population of more than 550,000 people, which more than doubles during the summer season.

On January 6, 2011, Governor Chris Christie signed into law three bills to improve the health of Barnegat Bay, as components of his comprehensive long-term restoration plan. The bills target nutrient runoff from lawn and landscape fertilizers, soil restoration, and stormwater basin repairs as part of a comprehensive 10-point Barnegat Bay restoration plan the Governor announced last month. One of the 10 points in the plan involves the funding of stormwater runoff mitigation projects. Much of the deterioration of the Bay can be traced to pollutants that run off from lawns and streets. If properly constructed, stormwater basins can help reduce pollution from stormwater runoff.

There are approximately 2,500 stormwater basins and facilities in the Barnegat Bay watershed, owned by the counties, municipalities and other entities. To improve water quality in the Bay through new or enhanced stormwater management practices, the Department is providing funds to support implementation of upgrades and allocating \$10 million in “grant-like” funding (i.e., principal forgiveness loans) for stormwater projects.

In addition, the Department and the New Jersey Environmental Infrastructure Trust (NJEIT) are providing zero-interest or low-interest loans to Barnegat Bay projects. Over the long term, \$100 million in loan funding is expected to be made available for this initiative over the next decade. The Program is re-opening the current application period for projects in the Barnegat watershed so that funds can be made available at the beginning of next fiscal year.

In addition to the Barnegat Bay initiative, the Department is also proposing to allow new applicants statewide into the FFY2011/SFY2012 Program and is providing highly incentivized financing to all new projects approved in the forthcoming State fiscal year. Other than the changes below, the program policies identified in the FFY2011 Clean Water Priority System Document issued in August 2010 continue to apply to the FFY2011/SFY2012 Program.

To summarize, the purpose of this proposal is to make certain changes to the FFY2011 Clean Water Priority System/Intended Use Plan documents to accomplish three objectives as follows:

1. To announce a second chance opportunity for project sponsors to submit projects for financing in the FFY2011/SFY2012 Program,
2. To provide lower cost financing to all new projects that qualify for the Program's loans by modifying the blending of the DEP's interest-free loan and the Trust's market-rate loan so that the DEP portion is increased from 50% to 75% of the allowable project costs for projects that would otherwise receive the traditional loan package, and
3. To establish a \$10 million reserve for "grant-like" funding, a project ranking methodology, funding policies and issue a "Call for Projects" that are designed to remove pollutants that adversely impact the Barnegat Bay.

**Second Chance Provisions**

The Department is proposing to include a second chance opportunity to accommodate project sponsors that missed the initial commitment letter and planning document deadline of October 4, 2010 to participate in the FFY2011/ SFY2012 Financing Program. Sponsors of such projects are required to satisfy the following requirements by the deadlines identified below:

<b>FFY2011/SFY2012 Loan Program Schedule</b>	
<b>SECOND CHANCE PROJECTS ONLY</b>	
<b>Activity</b>	<b>Deadline</b>
Commitment Letter and Planning Documents	March 7, 2011
Design Documents and Loan Application	March 7, 2011
Loan Award	As early as November 2011

Second chance project sponsors must also provide proof that all applicable DEP permits/ approvals that are required to implement the proposed project have been applied for on or before March 7, 2011.

Second chance projects will be eligible for loans (at one-quarter the market rate) in the FFY2011/SFY2012 Financing Program provided the project meets the program requirements in a timely manner and that there are sufficient CWSRF monies based on the project's rank.

Second chance projects will be ranked in accordance with the FFY2011 Priority System and assigned a rank below the projects that met the October deadline which have been identified in the January Report to Legislature.

In addition to the documentation above, sponsors of projects not currently listed on the FFY2011 Priority List will also need to submit a Project Status/Cost Update Form in order to be considered for the second chance opportunity in the FFY2011/SFY2012 Financing Program. Sample forms for second chance projects are included as Appendix 1 to this document. In addition to the paper copy of the complete submittal to NJDEP, the submittal of an electronic copy of the complete package must be submitted to the Trust in electronic format by close of business on March 7, 2011. All electronic submissions must be on CD or DVD in PDF, TIFF, or JPG format. Please refer to [www.njeit.org/forms.htm](http://www.njeit.org/forms.htm) under loan applications for further guidance.

### **Lower Cost Financing**

All new projects (including second chance projects) approved in the FFY2011/SFY2012 Financing Program that would normally be financed through the traditional loan package (with 50% of the allowable project costs financed through the Department's interest free loan) will be financed at a lower cost than initially proposed. The Program is proposing to modify the blending of the DEP's interest-free loan and the Trust's market-rate loan so that the Department's portion is increased from 50% to 75% of the allowable project costs for projects that would otherwise receive the traditional loan package. This change does not apply to projects that qualify for principal forgiveness and some of those that receive supplemental loans.

### **Barnegat Bay Initiative**

To support the Governor's initiatives, the Department is proposing to establish a reserve for capital improvement projects designed to remove pollutants that adversely impact the Barnegat Bay. The source of the monies being utilized to finance projects from the reserve fund is the FFY2010 CWSRF capitalization grant.

For the FFY2011/SFY2012 Program, the Department has allocated \$10 million to provide loans with principal forgiveness for up to 100% of the allowable project costs, subject to certain limitations in the approved appropriations bill or other factors. Entities eligible to apply for financing from the reserve are the NJ Department of Transportation, Ocean and Monmouth Counties and the municipalities in the Barnegat Bay Watershed. See complete listing in Appendix 2 of this document.

Principal forgiveness loans will be available for the following types of projects:

- The construction of new stormwater best management practices (BMPs ) (e.g., gravel wetlands, bioretention basins, constructed wetlands) or retrofits of existing BMPs that reduce existing nitrogen discharges into Barnegat Bay;
- The purchase of equipment (e.g., street sweepers, vacuum trucks) to reduce the pollution from stormwater runoff discharging into the Bay; and
- The construction of new stormwater best management practices (BMPs ) or retrofits of existing BMPs that reduce existing pollutants (e.g., suspended solids) that discharge into

Barnegat Bay (e.g., infiltration basins, extended detention, and manufactured treatment devices).

**Principal Forgiveness Project Ranking:** Projects involving the construction or retrofit of stormwater BMPs will be assigned the highest point total and will be further prioritized based on the potential for nitrogen reduction through a BMP, as estimated by the potential loading resulting from the land use contributory to the receiving BMPs. Projects that involve the purchase of equipment will be prioritized based on the type of equipment that is proposed, the road miles in the municipality and the ability to incorporate intermunicipal sharing of equipment. Projects involving the construction or retrofit of stormwater BMPs will be assigned a lower rank than the two categories listed above and these projects will be prioritized based on the potential for suspended solids reduction through a BMP, as shown by the potential loading resulting from the land use contributory to the receiving BMPs. Project sponsors who agree to a reduced principal forgiveness loan for 75% of allowable project costs can earn an additional 50 points for their project. In such cases, the principal forgiveness loan would be matched with an interest-free loan to cover the remaining allowable project costs. Point assignments and more details regarding the ranking methodology for the principal forgiveness loans is in Appendix 3. Additional ranking criteria may be established (such as population density, population, proximity to the Bay, etc.) if more than one project receives identical point scores.

The Department will set aside \$1 million of the \$10 million reserved for principal forgiveness loans for municipalities to purchase stormwater maintenance equipment (such as vacuum trucks and street sweepers). Only those municipalities that do not own any stormwater basins are eligible to compete for the \$1 million set aside for equipment purchases. All equipment purchases will be limited to a maximum principal forgiveness loan of up to \$250,000.

In addition to the \$250,000 cap on equipment purchases, the Department reserves the right to establish a maximum amount of principal forgiveness that any one project sponsor can receive for the implementation of a stormwater BMP so that no one project or entity receives a disproportionate share of the funds available through this initiative.

In addition to the project types listed above, local governmental units in the Barnegat Bay Watershed can also apply for low interest loans to finance a wide variety of stormwater and nonpoint source control projects on a modified schedule including:

- Projects involving the replacement and upgrade of septic systems ,
- Land acquisition and conservation measures,
- Land acquisition for siting a new, or expanding an existing, stormwater basin,
- Stormwater outfall relocation or extension,
- Installation of tide gates,
- Major stormwater system rehabilitation,
- Replacement of existing storm drains,
- Runoff control (manure/feedlots and stream bank stabilization/ restoration),
- Salt domes, and
- Other nonpoint source controls.

Ranking for the low-interest loans will be in accordance with the FFY2011 Priority System issued in August 2010. Please note that the FFY2011 Clean Water Priority System was modified to provide an additional 300 points to projects that help to protect, maintain or improve the water

quality of Barnegat Bay. These added priority points increase the ranking of stormwater control projects in the Barnegat Bay Watershed so that they are competitive with other high priority projects in the State.

Projects in the Barnegat Bay Watershed will be eligible for loans in the FFY2011/SFY2012 Financing Program provided the project meets the program requirements in a timely manner as identified below and that there are sufficient monies in the reserve to finance the project based on the project's rank.

<b>FFY2011/SFY2012 Loan Program Schedule</b>	
<b>BARNEGAT BAY</b>	
<b>STORMWATER/NPS AND LAND ACQUISITION/PRESERVATION PROJECTS ONLY</b>	
<b>Activity</b>	<b>Deadline</b>
Commitment Letter and Ranking Information	March 7, 2011
Planning Documents	July 1, 2011
Design Documents and Project Application	July 1, 2011
Award of Funds	As early as November 2011

Failure of the project sponsor to submit complete planning documents, design documents and applications within the time periods specified in the Priority System, Intended Use Plan and Project Priority List for the specified State fiscal year(s) will result in the Department's bypassing of the project sponsor's project unless the Department, at its discretion, approves, for good cause, an extension to these periods. Written notice of a bypass action shall be sent to the project sponsor. As a result of such an action, the project on the Project Priority List shall become ineligible to receive a Fund loan in SFY2012. This may allow the next highest ranked project to fall within the fundable range on the Project Priority List.

**Public Review and Comment**

On January 28, 2011, the Department distributed a public notice that describes the proposed changes and that announced the availability of this FFY2011 Priority System/Intended Use Plan proposal at <http://www.nj.gov/dep/dwq/cwpl.htm> and <http://www.njeit.org/> . The notice was posted on the DEP and Trust web sites and was distributed via a mailing to the standard mailing list of potential project sponsors and other interested parties.

The comment period for this proposal will close on March 7, 2011.

Written comments on this proposal should be submitted to:

NJ Department of Environmental Protection  
Eugene Chebra, Acting Assistant Director  
Municipal Finance and Construction Element  
P.O. Box 425  
Trenton, NJ, 08625-0425

All comments submitted in accordance with the deadline will be considered in the preparation of the final FFY2011 Priority System/Intended Use Plan documents.

### **Program Information Seminars**

The Department and the Trust will be conducting two seminars for potential borrowers in the FFY2011/SFY2012 Financing Program as follows:

February 1, 2011 at 8:30am at Ocean County Community College in Toms River, NJ, and  
February 3, 2011 at 8:30 am at the NJ Law Center in New Brunswick, NJ.

Sponsors planning to submit a second chance project for the SFY2012 Program and those planning to apply under the Barnegat Bay Initiative should make every effort to attend. Sponsors planning to attend should register with the Trust by calling 609-219-8600.

### **Appendices**

Appendix 1 – Sample Forms for Second Chance Projects

Appendix 2 – List of Governmental Units Eligible to Apply for Principal Forgiveness Loans from the Barnegat Bay Reserve

Appendix 3 – Ranking Methodology for Principal Forgiveness Loans from the Barnegat Bay Reserve

Appendix 4 – Sample Forms for Barnegat Bay Projects (including Barnegat Bay projects that qualify for principal forgiveness)

<b>FFY2011SFY2012 Financing Program Schedule for Clean Water Projects</b>	
<b>Date</b>	<b>Action</b>
(on or before) January 15, 2011	Department/Trust submits list of projects (based on Priority System ranking methodology) to Legislature for forthcoming State Fiscal Year.
February 2011	Trust conducts Financial Seminars for FFY2011 applicants.
March 7, 2011	<ol style="list-style-type: none"> <li>1. Close of Comment Period for the Proposed Amendments to the FFY2011 Intended Use Plan</li> <li>2. FFY2011 applicants submit design and complete loan application. Second chance projects also submit Commitment Letter and Planning Documents (See Appendix 1).</li> <li>3. Barnegat Bay applicants must submit Commitment Letter and Ranking Form (See Appendix 4).</li> </ol>
May 2011	Financial Plan for State Fiscal Year 2012 submitted by Department/Trust to Legislature.
July 1, 2011	Barnegat Bay Stormwater/NPS projects submit planning, design and loan application.
August 2011 – April 2012	<ol style="list-style-type: none"> <li>1. Legislature acts on Financial Plan.</li> <li>2. Department/Trust transmit draft loan agreements to qualifying applicants.</li> </ol>
December 15, 2011	Target date to issue Authorization to Advertise to approvable SFY2012 Projects.
March 15, 2012	Deadline for project sponsors to submit executed construction contracts to implement the approved project.

## Appendix 1: Second Chance Sample Forms

### **-Clean Water Financing-**

#### **FFY2011 PROJECT STATUS/COST UPDATE**

The following FFY2011 Project Status/Cost Update Form must be used to update information on currently ranked projects or to propose new projects for inclusion on the FFY2011 Project Priority List. Please complete the form according to the instructions below, and include estimated building costs for each category of project need. All costs should be updated to March 2011.

Section A: 1) The project sponsor must be the entity which will assure proper operation and maintenance of the facilities or equipment to be constructed, rehabilitated or purchased.

2) For existing projects listed on the FFY2011 Project Priority List, write the number listed. For unlisted projects, write "NEW" in the space provided.

3) For existing projects listed on the FFY2011 Project Priority List, write the name listed. If this name is to be changed, write "change to", and then the new name. For new projects, write a short descriptive title in the space provided.

4-7) Write the address of the agency stated on Line #1.

8-9) Write the name and telephone number of the responsible official of the agency stated on Line #1.

10-11) Write the name and telephone number of the consulting engineer for the project.

Section B: Write a brief description of the project in the space provided; for example - upgrade and expand the existing sewage treatment plant, new gravity interceptor, I/I reduction program, stormwater basin rehabilitation, etc. Also, if a Public Health Hazard Bypass is being sought, so indicate.

Section C: Eligible Category

Category 1- For projects which currently do not meet secondary treatment standards or the repair/expansion of existing facilities to provide secondary treatment. Secondary treatment provides a 30-day average effluent quality of 30 mg/l or less for both SS and BOD with 85 percent removal of these pollutants. Also, projects which will provide facilities to reuse wastewater or treat sludge or septage are included in this category.

Category 2- Applies to treatment facilities to upgrade to meet effluent limitations (30 day average) for BOD and SS less than 30 mg/L, or provide for the removal of ammonia, nitrogen, phosphorus or other pollutants, or to provide stringent disinfection by means of coagulation or filtration facilities.

- Category 3A- Applies to projects which will reduce infiltration/inflow using "minor" rehabilitation procedures such as grouting/lining of existing sewers, installation of watertight manholes, replacement of short stretches of sewer, etc. Interconnection/Cross-Connection abatement projects will typically be included in this category.
- Category 3B- Involves the replacement of existing pipes or manholes. This is done where pipes and manholes have lost their structural integrity or where an increase in pipe size or change in alignment is needed.
- Category 4A- For the construction of collection sewers to service areas currently using on-site systems of wastewater treatment and disposal. Such sewers consist of the common collection sewers, within a publicly owned treatment system, which are primarily installed to receive wastewater directly from facilities which convey wastewater from individual systems.
- Category 4B- A sewer which is designed to intercept wastewater from a final point in one or more collection systems or from an existing major discharge of raw or inadequately treated wastewater for transport to a treatment facility, another interceptor, or another municipality.
- Category 5- Applies to projects to correct overflow conditions in combined sewer systems and repair/rehabilitation of combined sewer lines. Such systems concurrently transport wastewater and storm and/or tidal flows.
- Category 6- Applies to projects which address problems caused by runoff discharged via separate stormwater sewer systems and may include the installation of packed media filters, replacement of existing storm drains with newer designs that incorporate features to remove solids, floatables, oil and grease and/or other pollutants; purchase or replacement of equipment to reduce solids and/or floatables, such as netting on outfalls and skimmer boats; purchase of maintenance equipment, such as street sweepers, leaf collection equipment, low-application rate salt spreaders and aquatic weed harvesters; beach cleaning equipment; rehabilitation of tide gates and existing basins or other stormwater systems, including pump stations; extension and/or stabilization of outfall points; and salt storage structures/runoff control systems.
- Category 7- Applies to projects to address nonpoint source pollution from such activities as cropland and animal agriculture (such as feedlot manure/runoff control systems), as well as silviculture and urban runoff, where stormwater runoff is not transported via a separate storm sewer. Also included in this category are the water quality aspects of municipal landfill closure and construction projects, open space land acquisition and conservation projects, remedial action activities, well sealing, streambank/lake stabilization/restoration projects which are consistent with habitat protection and those projects identified in category 6 above where the municipal storm sewer system is not permitted as a point source.

**Building Costs** - Costs related to the erection, acquisition, alteration, remodeling, improvement or extension of treatment works. These costs are exclusive of the architectural/engineering costs defined below.

Architectural/Engineering (A/E) Costs - Costs of consulting services to be incurred during the construction phase of the project, generally estimated at 12% of building costs. These costs are exclusive of planning and design costs.

In addition to the building and A/E costs above, a project's estimated allowable cost will include 3% of building costs for the recipient's administration, 5% for unanticipated cost increases and a planning and design allowance

Basis of Cost: State the source used to estimate the building costs. For example, engineer's estimate, updated 201 Facilities Plan, Project Report, etc.

Section D: NEW PROJECTS ONLY- Complete the project narrative form as follows -

1) Project Name - as for Section A, Line 3.

2) Service Area - indicate all areas, or portions thereof, in which the proposed wastewater treatment facilities will operate. If possible, provide a map (USGS scale) of the service area.

3) Existing Population - state the best available local estimate and indicate source of information; otherwise, current State Data Center estimates should be used.

4) Need for Project - justify the need for the project in relation to its effect(s) on existing water use and water quality (refer to the Ranking Methodology section of the Priority System). For projects involving treatment plants, provide the following information, based on the most recent four month period:

a) NJPDES Permit Number

b) Flow - Design and Existing

c) Effluent Levels of BOD and SS (mg/l and percent removal)

5) Project Description: provide a brief, but thorough, description of the proposed project, including major components and treatment units, sewer lengths, sludge practices, etc.

For additional information or assistance, contact:

Kevin Power  
FY2011 Project Priority List  
Coordinator  
(609) 633-1208

Send completed forms to:

Eugene Chebra, Assistant Director  
Municipal Finance and Construction Element  
Division of Water Quality  
PO Box 425  
Trenton, NJ 08625-0425

**-Clean Water Financing-**

FFY2011 PROJECT STATUS/COST UPDATE FORM

A. (1) Applicant: \_\_\_\_\_

(2) Project No: 340 \_\_\_\_\_

(3) Project Name: \_\_\_\_\_

(4) Applicant Address: \_\_\_\_\_

(5) City: \_\_\_\_\_ (6) County: \_\_\_\_\_ (7) Zip: \_\_\_\_\_

(8) Applicant Contact: \_\_\_\_\_ (9) Tel:( ) \_\_\_\_\_

(10) Consultant: \_\_\_\_\_ (11) Tel:( ) \_\_\_\_\_

B. Brief Description of Project: \_\_\_\_\_

\_\_\_\_\_

<u>C. Eligible Category</u>	<u>Cost</u>
1 Secondary/Sludge/Septage Treatment	\$ _____
2 Advanced Treatment	\$ _____
3A Infiltration/Inflow Correction	\$ _____
3B Major Sanitary Sewer System Rehabilitation	\$ _____
4A New Collection Sewers and Appurtenances	\$ _____
4B New Interceptors and Appurtenances	\$ _____
5 Correction of Combined Sewer Overflows	\$ _____
6 Stormwater Management	\$ _____
7 Nonpoint Source Pollution Management	\$ _____
Total Building Costs	\$ _____
Architectural/Engineering Costs	\$ _____

Basis of Cost Estimates: \_\_\_\_\_

\_\_\_\_\_

**D. Project Narrative (New Projects Only)**

(1) Project Name: \_\_\_\_\_

(2) Service Area: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(3) Population: \_\_\_\_\_

(4) Water Quality-Based Need for Project:

(5) Project Description:

**-Clean Water Financing-**

**SAMPLE COMMITMENT LETTER FOR FFY2011/SFY2012 FUNDING**

**- Second Chance Schedule -**

(This letter, on official stationary, **must be received or postmarked by March 7, 2011** to be given consideration by the Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust for inclusion in the 2012 Financing Program.)

Eugene Chebra, Assistant Director  
Municipal Finance and Construction Element  
Division of Water Quality  
New Jersey Department of Environmental Protection  
PO Box 425  
Trenton, New Jersey 08625-0425

Dear Mr. Chebra:

Subject: Project No. \_\_\_\_\_  
(Project Name)  
(Project Sponsor)  
(County)

In accordance with the provisions of the Federal Fiscal Year 2011 (FFY2011) Priority System document and *N.J.A.C. 7:22-3.7* (a), I, \_\_\_\_\_, as authorized representative for the above-referenced project, do hereby commit to meet the project document submittal deadlines identified below and the financial application deadline to be established by the Trust and the State for participation in the SFY2012 Financing Program.

Planning Documents	March 7, 2011
Design Documents and Loan Application	March 7, 2011

Copies of the cover letters that have been sent to the appropriate permitting and approval agencies evidencing application to said agencies on or before the March 7, 2011 deadline for the applicable permits/approvals for the project referenced above will also be submitted.

A pre-planning meeting for this project was held on \_\_\_\_\_ (insert date of meeting) with representatives from the Municipal Finance and Construction Element to discuss program requirements and schedules.

I understand that failure to comply with the submittal requirements and deadlines as specified above will result in the project being deemed ineligible for funding in the SFY2012 Financing Program.

Enclosed please find a project status/cost update form including proposed modifications to the information presented in the Priority List.

Very truly yours,

---

(Authorized Representative)

Enclosure

c: David Zimmer, Executive Director  
New Jersey Environmental Infrastructure Trust  
PO Box 440  
Trenton, NJ 08625-0440

Appendix 2:

List of Governmental Units Eligible to Apply for  
Loans from the Barnegat Bay Reserve

Barnegat/Ocean	Ocean Township/Ocean
Barnegat Light/Ocean	Pine Beach/Ocean
Bay Head/Ocean	Plumsted/Ocean
Beach Haven/Ocean	Point Pleasant Beach/Ocean
Beachwood Boro/Ocean	Point Pleasant Borough/Ocean
Berkeley/Ocean	Seaside Heights Boro/Ocean
Brick Twp/Ocean	Seaside Park Borough/Ocean
Eagleswood /Ocean	Ship Bottom/Ocean
Harvey Cedars/Ocean	South Toms River/Ocean
Island Heights Boro/Ocean	Stafford Township/Ocean
Jackson Township/Ocean	Surf City/Ocean
Lacey Township/Ocean	Toms River/Ocean
Lakehurst Borough/Ocean	Tuckerton Boro/Ocean
Lakewood Twp/Ocean	Wall Township/Monmouth
Lavallette/Ocean	Millstone/Monmouth
Little Egg Harbor Township/Ocean	Freehold Township/Monmouth
Long Beach Township/Ocean	Howell Township/Monmouth
Manchester/Ocean	Ocean County
Mantoloking/Ocean	Monmouth County
Ocean Gate Borough/Ocean	NJ Department of Transportation

### Appendix 3: Principal Forgiveness Ranking Methodology

Projects with biological uptake of nutrients, including the construction of new stormwater best management practices (BMPs ) (e.g., gravel wetlands, bioretention basins, constructed wetlands) or retrofits of existing BMPs that reduce existing nitrogen discharges into Barnegat Bay will receive 5000 base points plus one point for each pound of the potential nitrogen loading in pounds/year. The potential nitrogen loading must be calculated in consideration of the size (acres) of the drainage area, and the existing land use. All sponsors will then use the Table below to calculate potential nitrogen loading. Each basin will be ranked individually. The Department will seek to ensure that the project sponsor will implement state-of-the-art treatment systems.

The purchase of vacuum filter sweeper trucks to maintain existing municipal storm sewer systems will receive 4000 base points. The purchase of regenerative air sweepers will receive 3500 base points and the purchase of mechanical sweeper trucks will receive 3000 base points. Equipment purchases will then be given one point for each linear road mile in the project sponsor’s jurisdiction and 500 points for project sponsors that provide evidence that they have agreements with other municipalities to share the equipment proposed for financing.

The construction of new stormwater best management practices (BMPs ) or retrofits of existing BMPs that reduce existing pollutants (e.g., suspended solids) discharge into Barnegat Bay (e.g., gravel wetlands, bioretention basins, constructed wetlands) will receive 100 base points plus the one point for each acre of drainage area of the stormwater basin. The potential suspended solids loading must be calculated in consideration of the size (acres) of the drainage area, and the land use. All sponsors will then use the Table below to calculate potential suspended solids loading. Each basin will be ranked individually.

Project sponsors who agree to a reduced principal forgiveness loan for 75% of allowable project costs can earn an additional 50 points for their project. In such cases, the principal forgiveness loan would be matched with an interest-free loan to cover the remaining allowable project costs.

Sponsors of stormwater basin retrofits to reduce nitrogen or suspended solids loads are encouraged to select basins that have the ability to be incorporate one of the BMPs identified above. If site conditions exist that prevent appropriate BMPs to be implemented (such as depth to groundwater, not enough available land (or an unwillingness of the sponsor to acquire land to make the appropriate modifications), proximity to environmentally sensitive lands, endangered species, etc.), the Department will not approve the basin retrofit for financing regardless of rank.

The following table shall be used to assign nitrogen loading values:

Table 1: Land use/Land Cover and Associated Nitrogen Loads

Land use/Land cover (* for land use/land cover description see link below)	Total Nitrogen (lbs/acres/yr)
High, Medium Density Residential	15
Low Density, Rural Residential	5
Commercial	22
Industrial	16
Urban, Mixed Urban, Other Urban	10
Agriculture	10

Forested, Water, Wetlands	3
Barren land/Transitional Area	5

Example:

A drainage area with 100 acres of High Density Residential and 10 Acres of Commercial will have: 1500 lbs/acres/yr (100 x 15) of Total N and 220 lbs/acres/yr of Total N (22 x 10) for a total of 1720 lbs/acres/yr of Total N. This is added to the Base Points of 5000. The total points for this project is **6720**.

All drainage area maps submitted to support the project and the loading calculations must be use the USGS quadrangle scale (1:24,000) or better.

The coverage below must be calculated utilizing DEP GIS mapping system data. See- <http://www.state.nj.us/dep/gis/digidownload/metadata/lulc07/anderson2007.htm>

For each stormwater BMP identified, the following information must be provided:

1. A map of contributory drainage area to the location of the subject BMP. A shape file with the polygon of the contributory drainage area must be sent electronically to the Department to [scott.shymon@dep.state.nj.us](mailto:scott.shymon@dep.state.nj.us).
2. A characterization of the land uses within the drainage area to the stormwater BMP. Land Uses shall be taken from the 2007 Land Use/Land Cover data available from <http://www.nj.gov/dep/gis/lulc07cshp.html>. (In areas predominantly devoid of vegetation, applicants cannot apply under the first category, tormwater BMPs that reduce existing nitrogen discharges into Barnegat Bay.)
3. Alternate data can be utilized if a more recent aerial coverage is provided to the Department at the time of application. The area shall be broken down by the land uses as identified in Table 1 above. A table shall be submitted to the Department showing the area of each land use per acre, the loading, and the total nitrogen load based on the inflow area to the basin as shown in the example below. (Information must be provided to 1 decimal place.)

Basin A Characterization and Nutrient Load			
Land Use/Land Cover	Area (acres)	Nitrogen (lbs/acre/yr)	Nitrogen Load (lbs/yr)
High Density Residential	100	15	1500
Commercial	10	22	220
<b>Total Nitrogen Load to Basin Commercial</b>			<b>1720</b>

Appendix 4: Sample Forms (Barnegat Bay Stormwater/NPS and Land Acquisition Only)  
**-Clean Water Financing-**

**SAMPLE COMMITMENT LETTER FOR FFY2011/SFY2012 FUNDING**

**- Barnegat Bay Initiative -**

(This letter, on official stationery, **must be received or postmarked by March 7, 2011** to be given consideration by the Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust for inclusion in the 2012 Financing Program.)

Eugene Chebra, Assistant Director  
Municipal Finance and Construction Element  
Division of Water Quality  
New Jersey Department of Environmental Protection  
PO Box 425  
Trenton, New Jersey 08625-0425

Dear Mr. Chebra:

Subject: Project No. \_\_\_\_\_  
(Project Name)  
(Project Sponsor)  
(County)

In accordance with the provisions of the Federal Fiscal Year 2011 (FFY2011) Priority System document and *N.J.A.C. 7:22-3.7* (a), I, \_\_\_\_\_, as authorized representative for the above-referenced project, do hereby commit to meet the project document submittal deadlines identified below and the financial application deadline to be established by the Trust and the State for participation in the SFY2012 Financing Program.

Planning Documents	July 1, 2011
Design Documents and Loan Application	July 1, 2011

Copies of the cover letters that have been sent to the appropriate permitting and approval agencies evidencing application to said agencies on or before the July 1, 2011 deadline for the applicable permits/approvals for the project referenced above will also be submitted.

A pre-planning meeting for this project was held on \_\_\_\_\_ (insert date of meeting) with representatives from the Municipal Finance and Construction Element to discuss program requirements and schedules.

I understand that failure to comply with the submittal requirements and deadlines as specified above will result in the project being deemed ineligible for funding in the SFY2012 Financing Program.

Enclosed please find a Project Status/Cost Update Form (from Appendix 1) and a Barnegat Bay Project Ranking Information Form to identify the individual stormwater basins proposed for financing and the pollutant load calculations that show either the potential nitrogen or suspended solids.

Very truly yours,

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(Authorized Representative)

**Additional Instructions:**

{For equipment purchases, sponsors must indicate the quantity and type of equipment they intend to purchase and if they have intermunicipal agreements to share any equipment purchased for stormwater maintenance operations.}

{Sponsors must indicate if they are willing to limit the principal forgiveness component of the loan to 75 percent of the allowable project costs and to accept an interest-free loan for the remaining allowable costs.}

Enclosure

c: David Zimmer, Executive Director  
New Jersey Environmental Infrastructure Trust  
PO Box 440  
Trenton, NJ 08625-0440