



MEMORANDUM

TO: Robert Cantoreggi, DPW Director

CC: Derek Adams, DPW Environmental Affairs Coordinator
Kate Hinckley Sjöberg, GIS Manager

FROM: Janelle Bonn, Technical Manager
Rich Niles, Project Manager

DATE: June 17, 2021

RE: MS4 General Permit Phosphorus Funding Source Assessment – Franklin, MA

The Town of Franklin, MA (Town) currently maintains coverage under the General Permit for Stormwater Discharges from Small Municipal Separate Storm Sewer Systems (MS4) in Massachusetts (MS4 General Permit, Permit). As a permittee, the Town is subject to specific phosphorus reduction goals because waterbodies located within the Town are listed in the 2016 Massachusetts Impaired Waters List as being impaired or having total maximum daily loads (TMDLs) established for phosphorus related impacts.

The purpose of this memorandum is to provide an overview of potential funding programs that may be available to the Town to assist with phosphorus reduction goals presented in the MS4 General Permit. The funding opportunities presented in this memorandum provide a starting point to evaluate eligibility and provide a basis for the “Funding Source Assessment” required in Part 2.2.1 and Appendix F, Part A.1.a.3 which require, in part, the development of a Phosphorus Control Plan (PCP) to reduce the amount of phosphorus in stormwater discharges from the MS4 to the Charles River. This funding source assessment is a required element of the PCP and shall include:

“...Known and anticipated funding mechanisms (e.g. general funding, enterprise funding, stormwater utilities) that will be used to fund PCP implementation. The permittee shall describe the steps that it will take to implement this funding plan. This may include but is not limited to conceptual development, outreach to affected parties, and development of legal authorities”.

The Town will assess the funding mechanisms described below, and other relevant funding mechanisms that may become available during implementation of the PCP, to reduce stormwater related phosphorus impacts from their MS4 to waterbodies located within the Town

Franklin, MA Stormwater Utility

The primary funding mechanism available to the Town to support implementation of the PCP will be future revenue generated from the recently passed Stormwater Bylaw Amendment 19-846, Chapter 153 “Stormwater Management” (Stormwater Bylaw). Review of the proposed budget and user fee is ongoing by the Town Council based on recommendations provided by the Franklin DPW to the Town Administrator in a letter dated January 13, 2021. The letter discusses that the revenue calculations based on the stormwater user fee of \$18.66 per billing unit, per year would generate \$1,399,500 available revenue per year based on approximately 75,000 billing units within the Town. Billing is recommended to begin on January 1, 2022 with funds available to support stormwater activities beginning in Fiscal Year 2023.



As stated in §153-23 of the Stormwater Bylaw, funds generated from the utility will be used for several purposes, including the following purposes that may be leveraged toward the Town's phosphorus reduction goals:

- Acquisition.....of real and personal property...necessary to construct, operate, and maintain stormwater management systems and facilities;
- Engineering and design, debt service and related financing expenses, construction costs for new facilities (including costs for contracted services) and enlargement or improvement of existing facilities;
- Operation and maintenance of the stormwater system, including catch basin cleaning, ditch maintenance, street sweeping, pipe repairs, and stormwater facility repairs;
- Capital investments including stormwater best management practices (BMPs) and components (e.g., purchase of plants, soils, and other amenities to support stormwater management alternatives utilizing vegetation); and
- Retrofitting developed areas for pollution control.

Funds generated through the stormwater utility can also be leveraged as payment on principal and interest on debt obligations that may be incurred through obtaining grants where a matching fund or low interest rate loan is obtained to fund phosphorus reduction related projects, as described below.

Department of Public Works Budget – General Funds

The Department of Public Works (DPW) currently maintains a stormwater-related operating budget to implement the following items. The monetary values associated with each item are a sample budget summary and may not reflect actual budgetary costs as of the issuance of this memorandum:

- Stormwater operations and maintenance activities (\$432,000);
- MS4 and other regulatory compliance programs and associated program enforcement actions (\$170,000);
- Capital improvements and equipment needs (\$294,000);
- Salaries (\$348,497); and
- Reserve fund (\$100,000).

Some of this budget of approximately \$1,344,497 may be used for additional stormwater management activities; however, the amount of available funds is not known until the Stormwater Utility is implemented.

Additional Phosphorus Control Planning Funding Support Sources

The additional funding mechanisms listed below have been identified as potential funding support sources for PCP implementation in the Town. In some cases, the deadline for application submittal is approaching or has passed; however, these programs are rolled out on an annual basis so the opportunity to apply will be available within the same timeframe in 2022. A summary of funding mechanisms is provided in the table below. An expanded discussion of each program follows.



Funding Program	Funding Type	Funded Activities
Clean Water State Revolving Loan Fund	Low interest loans	Structural and non-structural projects
Coastal Pollutant Remediation Grant	<ul style="list-style-type: none"> Maximum grant award: \$175,000 Municipal match: At least 25% of the total project cost 	<ul style="list-style-type: none"> Nonpoint source pollutant assessments Design and permitting activities Regulatory program development, technical assistance, and online tools/resources
MS4 Municipal Assistance Grant Program	<ul style="list-style-type: none"> Grants range from \$50,000 - \$300,000 Matching funds encouraged but not required 	Activities to meet MS4 General Permit requirements
Section 604(b) Water Quality Management Program	<ul style="list-style-type: none"> Grants range from \$30,000 - \$50,000 Matching funds encouraged but strongly recommended 	Nonpoint source assessment and planning projects
Section 319 Water Quality Management Planning Grant Program	<ul style="list-style-type: none"> \$2.8 million benchmarked in FFY2022; \$1.6 million benchmarked for Categories 4a, 4c, and 5 MA Integrated Waters 40% non-federal match required 	<ul style="list-style-type: none"> BMPs in impaired waters watersheds Outreach and education
Massachusetts Municipal Vulnerability Preparedness Grant	<ul style="list-style-type: none"> Grant awards expected to range from \$25,000 to \$2,000,000, with regional awards up to \$5,000,000 25% cash, in-kind, or combination required 	<ul style="list-style-type: none"> Planning, assessments, capacity-building, and regulatory updates Design and permitting Construction and on-the-ground implementation

Clean Water State Revolving Fund Loan

The Massachusetts Clean Water State Revolving Fund (SRF) loan program provides low-interest loans to finance projects that help communities meet water quality standards and provide public health benefits, addressing the needs of the communities and watersheds. Projects are selected annually using a priority ranking system called the Intended Use Plan (IUP). IUP ranking is based upon protection of the public health and improved compliance together with affordability. In CY2021, MassDEP had approximately \$600 million to finance clean water projects.

Funding is available for the planning and construction of structural projects including:

- CSO mitigation



- New wastewater treatment facilities and upgrades of existing facilities
- Infiltration/Inflow correction
- Wastewater collection systems
- Stormwater conveyance infrastructure improvements
- Nonpoint source pollution abatement projects such as: landfill capping, community programs for upgrading septic systems (Title 5), Brownfield remediation, pollution prevention, and stormwater treatment systems

Funding is also available for non-structural project, such as:

- Green infrastructure planning projects for nonpoint source problems which are consistent with MassDEP's Nonpoint Source Management Plan and that identify pollution sources and suggest potential remediation strategies.
- Wastewater nutrient management projects to manage, reduce, treat or recapture stormwater and surface drainage water.

CY2021 Terms are as follows:

Loan Type	Permanent Financing	Interim Financing
Standard SRF Loan	2% (20 years or less) 2.4% - 2.9% (>20 years)	0%
Housing Choice Loan Rate	1.5% (20 years)	0%
Nutrient Enrichment Reduction Loan	0%	0%
Maximum Term	30 years	3 years
Administrative Fee	0.15%	0%
Loan Origination Fee	~\$5.00 per \$1,000	\$0
Effective Loan Rate	2.15% (20 years)	0%

Anticipated Timeline (annual process for CY2022 Clean Water and Drinking Water Intended Use Plans):

- Project Evaluation Forms (PEFs) due mid-August 2021
- Intended Use Plan issued in January 2022
- Local Borrowing Authorization by end of June 2022
- SRF Application for Financial Assistance due mid-October 2022

For more information, click [here](#).

Franklin Eligibility

As a Housing Choice designated community, Franklin is eligible for a 0.5% reduction in the standard interest rate on both planning and construction projects (not less than 0%). Nutrient Enrichment Reduction projects are eligible for a 0.0% interest rate. These are CY2022 incentives; incentives for future rounds of funding are to be determined.

Coastal Pollutant Remediation Grant

The Massachusetts Office of Coast Zone Management (CZM) administers the Coastal Pollutant Remediation (CPR) Grant Program to provide funding for communities to identify and improve water quality impaired by nonpoint source pollution. For FY2022, approximately \$500,000 is available. [Eligible applicants are the municipalities located within the boundaries of the Massachusetts coastal watershed, which encompasses 220 cities and towns in eastern Massachusetts.](#) Eligible projects must fall into one of the following categories:



- Assessment, identification, and characterization of stormwater or commercial boat waste pollution. Assessment efforts must focus on the investigation of nonpoint source (NPS) discharges to impaired waterbodies (e.g., physical evaluation of drainage areas; land-use characterization; water quality testing at in-stream and outfall locations; and the development of recommendations for NPS management (structural and nonstructural), as well as the investigation of the appropriate type and placement of stormwater best management practices (BMPs) or boat pump out facilities).
- Design, permitting or implementation of:
 - BMPs to remediate runoff from paved or unpaved roads, bridges, and municipal parking lots. Target contaminants include, but are not limited to, sediment, bacteria and nutrients.
 - Commercial boat waste pump out facilities to reduce or eliminate pollution discharged from vessel holding tanks.
- Capacity-building activities for planning, engineering, and repair of stormwater BMPs or boatyard pump out facilities:
 - Development, amendment, or implementation of local stormwater or low impact development bylaws, ordinances, standards or other management measures.
 - Technical assistance including green infrastructure operations and maintenance trainings for municipal staff, guidance documents, case studies of successful projects, and demonstration projects.
 - Development of publicly available online tools or resources that support municipal assessment, planning, design, and implementation activities for stormwater and boat waste pump out infrastructure.

For FY2022, the maximum grant award is \$175,000 and a match of at least 25% of the total project cost is required. Applications are due June 11, 2021. For more information, click [here](#).

Franklin Eligibility

As a community located in the Massachusetts Coastal Watershed, Franklin is eligible to apply. Because Franklin is only partially located within a coastal watershed (Charles River watershed), the Town must provide additional information to prove that the proposed project lies within the Massachusetts coastal watershed.

MS4 Municipal Assistance Grant Program

The Massachusetts Department of Environmental Protection administers the MS4 Municipal Assistance Grant Program for innovative projects that will assist multiple communities in meeting the requirements of the 2016 Small MS4 General Permit. The funding is to enable groups of Massachusetts municipalities to expand their efforts to meet 2016 MS4 permit requirements and reduce stormwater pollution through coordinated partnerships that emphasize resource sharing. For FY2021, a total of \$300,000 was available. Eligible applicants are groups of two or more Massachusetts municipalities that are subject to the 2016 Small MS4 General Permit, Regional Planning Agencies acting on behalf of two or more municipalities that are subject to the 2016 Small MS4 General Permit; Massachusetts stormwater coalitions representing two or more municipalities that are subject to the 2016 Small MS4 General Permit; or non-profit organizations acting on behalf of two or more municipalities that are subject to the 2016 Small MS4 General Permit.

Eligible projects will result in tools or approaches that will help multiple municipalities meet one or more specific requirement(s) of the 2016 Small MS4 General Permit, and must:



Provide a shared benefit to multiple communities, including environmental justice communities. Not duplicate work already done by any stormwater coalition or where a previously funded project delivery is applied to another region. Previously funded projects can be found [here](#).

Examples of potentially eligible, MS4-focused projects include, but are not limited to:

- Assessment tool for prioritizing retrofit sites
- Tracking tool for regional stormwater retrofits
- Review of retrofit applications for different stormwater management applications
- Review of Stormwater Enterprise Fund implementation issues, costs, successes, challenges, and opportunities for crediting
- Templates for active and completed construction site inspection checklists
- Formation of new regional MS4 coalitions in areas where none exist
- MS4 Capital Investments, including equipment and electronic resources
- Outreach and Education services, materials, and/or strategies for public engagement
- Development of standard operating procedures or templates
- Training to meet MS4 permit requirements
- Survey research to identify needs of smaller MS4 municipalities
- Best Management Practices for improvement to stormwater management; and/or
- MS4-related job training opportunities within environmental justice communities

Both current and proposed projects are eligible for this grant program that will support any phases(s) of the project, from initial project planning through project implementation. Preference is given to projects that assist the greatest number of municipalities, including environmental justice communities. For FY2021, awards may have ranged from \$50,000 to \$300,000 per applicant, with matching funds encouraged, but not required. The FY2022 request for responses is anticipated to be announced later in 2021. For more information, click [here](#).

Franklin Eligibility

Franklin would need to partner with at least one other municipality subject to the 2016 Small MS4 General Permit. Current mapping indicates environmental justice communities exist in Franklin, and therefore the Town would receive preference for this criterion.

Section 604(b) Water Quality Management Planning Grant Program

The Massachusetts Department of Environmental Protection administers the Section 604(b) Water Quality Management Planning Grant Program. For FFY 2021, approximately \$220,000 will be available. Eligible entities include regional planning agencies, council of governments, counties, conservation districts, and cities and towns. Eligible projects are nonpoint source assessment and planning projects that result in the following:

- Development of Watershed-based Plans for local watershed planning and to support future 319 grant implementation projects
- Development of preliminary designs and implementation plans that will address water quality impairments in impaired watersheds
- Development of Watershed-based Plans for 319 Healthy Waterbody Projects to be used to guide watershed protection and management activities, including:
 - Streams: Geomorphology and Habitat Improvement
 - Streams: Nutrient, Sediment, and Pathogen Pollution Reduction
- Determination of the nature, extent, and causes of water quality problems and determination of pollutant load reductions necessary to meet water quality standards; or



- Development of green infrastructure projects that manage wet weather events to maintain and restore natural hydrology

Projects can be located in MS4 areas; however, projects to implement specific requirements of the NPDES stormwater permits are ineligible. Grant awards typically range between \$30,000 to \$50,000 range. A match is not required; however, is highly recommended. **FFY2022 applications were due April 14, 2021; however, a new grant cycle for FFY2023 will open in a similar timeframe in 2022.** For more information, click [here](#).

Franklin Eligibility

No Priority Health Waterbody Segments are located in Franklin. Several priority 303(d) Category 4 and 5 waters are located in Franklin.

Section 319 Water Quality Management Planning Grant Program

The Massachusetts Department of Environmental Protection administers the Section 319 Nonpoint Source Competitive Grants Program to fund projects that address prevention, control, and abatement of nonpoint source (NPS) pollution, and that attain environmental results by restoring beneficial uses and/or meeting or maintaining state water quality standards. For FFY 2022, approximately \$2.8 million was available, of which approximately \$1.6 million is benchmarked for implementation projects that addresses water quality impairments listed in Categories 4a, 4c, and 5 of the Massachusetts 2016 Integrated List of Waters. Eligible applicants are any public or private organization in Massachusetts. Projects from all watersheds are eligible and encouraged, **excluding work covered under NPDES stormwater permits.** Eligible projects are defined by the following categories:

- Implementation Projects in Impaired Waters: The most competitive projects will pursue a watershed-based strategy to implement a combination of structural and non-structural Best Management Practices (BMPs) addressing all impairments and leading to restoration of impaired waters.
- Healthy Watersheds and Protection of High-Quality Waters: Implementation projects for climate change adaptation and resiliency projects that protect non-impaired and high-quality waters from the effects of nonpoint source pollution. Projects with a substantial land conservation component as part of NPS prevention and remediation work are also eligible.
- Outreach and Education: Projects that propose specific outreach and education activities and products and will develop and implement an evaluation method to gauge the effectiveness of these activities. Projects should have regional or statewide relevance.

Funding availability for NPDES Stormwater regulated/ MS4 areas:

- Implementation projects remain eligible for funding in NPDES regulated areas. 319 funds cannot be used for work that addresses NPDES permit requirements. Work that will meet new NPDES permit requirements may be undertaken using 319 funds only if the work is completed prior to the time it will be required under the new NPDES permit timetable.
- All other types of projects are eligible in regulated or mixed regulated/unregulated areas, **provided the work proposed is not required under the current or pending NPDES stormwater permit, nor used to meet permit application requirements such as mapping stormwater systems, identifying illicit connections, characterizing stormwater discharges, or monitoring required by permits.**
- EPA guidelines require termination of funding agreements for work that becomes regulated under NPDES permits, even where a project is partially completed. Therefore, the most competitive projects in regulated areas will provide assurances that the work is not required, nor is it anticipated that it will become required, during the life of the 319 contract.



- Work in unregulated areas, and in unregulated portions of partially regulated communities, remains fully eligible.

A 40% non-federal match is required. **FFY2022 applications are due June 30, 2021.** For more information, click [here](#).

Franklin Eligibility

No Priority Health Waterbody Segments are located in Franklin. Several priority 303(d) Category 4 and 5 waters are located in Franklin.

Massachusetts Municipal Vulnerability Preparedness Grant Program

The Massachusetts Office of Energy and Environmental Affairs (EEA) administers the Municipal Vulnerability Preparedness (MVP) Grant Program's MVP Action Grants to provide financial and technical assistance to designated "MVP Communities" to implement priority adaptation actions identified through the MVP planning process, or similar climate change vulnerability assessment and action planning that has led to MVP designation. Approximately \$10 million is available for FY2022. Eligible applicants are municipalities who have completed the Community Resilience Building process and received "MVP Community" designation from EEA. Applications from regional partnerships of multiple municipalities are eligible provided that the lead applicant is an MVP designated community. To be competitive for MVP funding, projects will need to embody and reflect the [MVP program's core principles](#). Eligible projects will fit into one of the following three types:

1. Planning, Assessments, Capacity-Building, and Regulatory Updates. Projects must meet the MVP program's core principles and may include the following:
 - Identifying, assessing, and prioritizing people, places, resources, and/or critical facilities or infrastructure that may be impacted by climate change to plan for and implement resiliency strategies.
 - Assessing the feasibility of a specific climate adaptation strategy.
 - Developing and/or formally adopting planning documents and regulations that encourage climate change adaptation.
 - Undertaking capacity-building activities that will increase social resiliency. These activities may involve municipal staff, community leaders, local business owners, residents, and/or community organizations.
2. Design and Permitting. Projects must meet the MVP program's core principles and may include the following:
 - Creating design plans for site preparation, installation, and project monitoring and maintenance.
 - Preparing and filing federal, state, and local permit applications for proposed activities.
3. Construction and On-the-ground Implementation. Projects must meet the MVP program's core principles and may include the following:
 - Preparing the project site, constructing/installing adaptation options, and developing/implementing appropriate monitoring protocols.
 - Installing or implementing tangible energy resilience projects like solar plus storage systems at critical facilities, energy efficiency measures at critical facilities, relocation of building utilities outside flood-prone locations, and other innovative pilot projects.
 - Acquiring land or property to achieve climate resiliency goals.
 - Implementing other "on-the-ground" adaptation projects (e.g., tree planting, pilot projects, etc.).



Grant awards are expected to range from \$25,000 to \$2,000,000, with regional awards up to \$5,000,000. A 25% cash, in-kind, or combination is required. **FY2022 applications are due May 7, 2021.** For more information, click [here](#).

Franklin Eligibility

Franklin, along with Bellingham, is a designated Regional Partnership MVP Community, eligible to apply for MVP Action Grant funding. Franklin's Hazard Mitigation Plan 2020 Update Goals include several measures that would fit MVP program's core principles.