

# State Water Quality Funds Summary

## Objective

This document provides a high-level review of the State of Maryland's [water quality funding programs](#): Water Quality State Revolving Fund, Bay Restoration Fund, Supplemental Assistance Grant, and Comprehensive Flood Management Program Grant. These programs fund projects through low-interest loans and grants that protect and preserve Maryland's water quality.

## Program Summary

The focus of each of the water quality funding programs is as follows:

- » **Water Quality Revolving Loan Fund (WQRLF)** - Low-interest loans to finance wastewater treatment plant upgrades, nonpoint source pollution control projects, and other water quality and public health improvement projects.
- » The [Maryland Department of the Environment's](#) (MDE) [Maryland Water Infrastructure Financing Administration](#) (MWIFA) manages various funding programs and can provide financial advisory services that assist borrowers in determining water rate structures and the impacts of a proposed loan on borrower financial condition and affordability.
- » **Bay Restoration Fund** – Funding for wastewater projects including wastewater treatment plant projects, stormwater and flood mitigation projects, and sewer and septic projects.
- » **Supplemental Assistance Grant** - Assistance primarily to small and disadvantaged communities for sewer infrastructure improvements.
- » **Comprehensive Flood Management Program Grant** - Provides grant assistance to "subdivisions" for flood mitigation projects which reduce the risk of loss of life and property from flooding.

Application Deadline	<p>Applications for these programs are accepted annually from December through January. The current application period ends <b>January 31, 2026</b>. Additionally, MWIFA provides a <a href="#">Prepare to Apply guide</a> for interested applicants.</p> <p>All water quality programs can be applied for under one consolidated application: the <a href="#">Water Quality Funding Application</a>.</p> <p>Application submission is coordinated by contacting Paul Emmart at <a href="mailto:paul.emmart@maryland.gov">paul.emmart@maryland.gov</a>.</p>
Funding Overview	<ul style="list-style-type: none"><li>» <b><a href="#">WQRLF</a></b></li><li>» Loan terms up to 30 years (not to exceed useful life of asset).</li></ul>

	<ul style="list-style-type: none"> <li>» <a href="#">Past Awardees</a></li> <li>» <b>Bay Restoration Fund</b> – <a href="#">Wastewater Grant</a> &amp; <a href="#">Septic System Grant</a></li> <li>» Estimated \$100 million available annually under the Wastewater Grant and \$27 million available annually under the Septic System Grant</li> <li>» <b>Supplemental Assistance Grant</b></li> <li>» Awards require a local match and are not to exceed \$1.5 million, based on system size, compliance status, and affordability.</li> <li>» <a href="#">Comprehensive Flood Management Program Grant</a></li> <li>» Financial assistance is in the form of grants to fund 50% of the local match from projects with federal sponsors and up to 75% of total project costs for projects without federal sponsors. In cases where federal agencies provide 75% of the total project cost, the grant will be for up to 12.5% and the local government will provide 12.5%</li> <li>» <a href="#">Currently Funded Projects</a></li> </ul>
Eligible Uses	<p><b>Eligible Uses under WQRLF:</b></p> <ul style="list-style-type: none"> <li>» Point Source Pollution Prevention: <ul style="list-style-type: none"> <li>» Wastewater Treatment Plant Improvements/Expansion including State Grant Match for Biological Nutrient Removal (BNR) Facilities</li> <li>» Sewerage Collection/Conveyance Systems including New/Replacement Sewers</li> <li>» Correction of Excess Sewerage Infiltration/Inflow (I/I) and/or Combined Sewer Overflow</li> <li>» Sludge Handling Facilities at Wastewater Treatment Plants</li> <li>» Landfill Leachate Pretreatment Facilities</li> <li>» Back Wash Facilities at Drinking Water Treatment Plants</li> </ul> </li> <li>» Non-Point Source Pollution Prevention: <ul style="list-style-type: none"> <li>» Stormwater Best Management Practices related to MS4 permits or other requirements</li> <li>» Wellhead Protection (Drinking Water Source)</li> <li>» Landfill Closure</li> <li>» Stream Corridor Restoration/Protection</li> <li>» Hazardous Waste Clean-up (Brownfields)</li> <li>» Shoreline Erosion Control</li> </ul> </li> <li>» Agricultural Nutrient Management Plans and Water Soil Conservation Plan</li> </ul>

- » NPS Tools, including the [Maryland Forest Financing Implementation Tool](#) (MD FFIT), a calculator designed to assist MD local governments, counties, and their partners seeking loans to fund forestry efforts and earn restoration credits for permits.

#### **Eligible Uses under Bay Restoration Fund:**

##### **Wastewater Grant Program**

- » ENR upgrade to major or minor wastewater treatment plants.
- » Improvements to existing wastewater conveyance systems.
- » Sewer extensions to connect homes on septic systems to a BNR/ENR wastewater treatment plant.
- » Nutrient-reducing BAT shared community septic systems.
- » Stormwater (MS4) projects by local governments with a system of charges through a local stormwater or resilience enterprise fund.
- » Flood mitigation and resilience and watershed restoration projects.

##### **Septic System Upgrade Program**

- » Upgrades of existing septic systems to best available technology and sewer connections for nitrogen reduction to aquifers and the Bay.
- » In accordance with Maryland State Law, the Bay Restoration Fund prioritizes upgrades as follows:
  - » Failing OSDS in the Critical Areas
  - » Failing OSDS outside the Critical Areas
  - » Non-conforming OSDS in the Critical Areas
  - » Non-conforming OSDS outside the Critical Areas
  - » Other OSDS in the Critical Areas, including new construction
  - » Other OSDS outside the Critical Areas, including new construction

#### **Eligible Uses under Supplemental Assistance Grant:**

- » Focused on sewer infrastructure improvements. Applicants must be located in a [Priority Funding Area](#) and be consistent with County Water and Sewer Plan to be eligible.

#### **Eligible Uses under Comprehensive Flood Management Program Grant:**

- » Implementation of capital projects included in comprehensive flood management plans, such as:
- » Infrastructure repairs

	<ul style="list-style-type: none"> <li>» Watershed restoration</li> <li>» Emergency protection work associated with a flood event</li> <li>» Other flood mitigation projects that reduce the risk of loss of life and property from flooding</li> </ul>
Cost Sharing Requirements	<p><b>WQRLF</b></p> <ul style="list-style-type: none"> <li>» Standard MWIFA Interest Rate (excluding admin) for loans that closed in State FY2024 ranged from 1.60% to 2.00%.</li> <li>» Disadvantaged Community MWIFA Interest Rate (excluding admin) for loans that closed in State FY2024 ranged from 0.80% to 1.00%.</li> <li>» An administrative fee of 5% of the aggregate debt service divided by loan term will be collected annually. The administrative fee covers MWIFA operating expenses.</li> </ul> <p><b>Bay Restoration Fund</b></p> <ul style="list-style-type: none"> <li>» Septic System Upgrades grant assistance is dependent on household income size for a community, with eligibility outlined <a href="#">here</a>.</li> </ul> <p><b>Supplemental Assistance Grant</b></p> <ul style="list-style-type: none"> <li>» Awards require a local match and are not to exceed \$1.5 million, based on system size, compliance status, and affordability.</li> </ul> <p><b>Comprehensive Flood Management Program Grant</b></p> <ul style="list-style-type: none"> <li>» Financial assistance is in the form of grants to fund 50% of the local match from projects with federal sponsors and up to 75% of total project costs for projects without federal sponsors. In cases where federal agencies provide 75% of the total project cost, the grant will be for up to 12.5% and the local government will provide 12.5%.</li> </ul>