

Pre Application Questions and Answers
Request for Applications #2016-1606-SWMD

Stormwater Retention Credit Purchase Agreement Program and
Program to Award Funds for Identification of Green Infrastructure Sites
Version Date: May 13, 2016

Questions and Answers

1. **Question:** Could you please explain the purpose of the Escrow Agent? Is there a policy that would allow the Grantee to also be the Escrow Agent?

Response: The RFA specifies that up to \$11,500,000 will be used solely for purchasing SRCs per the terms of purchase agreements arranged by the Grantee. DOEE's legal department has made the determination to use an independent Escrow Agent and that the Grantee cannot also be the Escrow Agent. This helps to prevent any real or perceived conflict of interest regarding the funding.

Follow-up Question: Is there any flexibility for Grantees that are able to hold funds in escrow in similar programs where they are able to establish firewalls between the escrow fund and the program?

Response: As a general proposition, there is no flexibility on this. However, if a potential applicant has questions about a specific type of arrangement, please provide those questions for DOEE to review.

2. **Question:** Who handles the SRC registry?

Response: DOEE has an existing SRC Registry and database. All SRCs will need to be certified by DOEE.

3. **Question:** Is the Grantee who manages the purchase agreement program the same Grantee who manages awards for green infrastructure site identification? Will these be programs be awarded separately?

Response: There will be one grant award through this RFA. However, applicants may submit proposals that include multiple partners. DOEE anticipates that the Grantee will make multiple sub-awards to support technical and outreach work to identify cost-effective green infrastructure sites.

Follow-up Question: How would the awards for green infrastructure site identification function?

Response: The Grantee will establish a program for making awards and will establish selection and eligibility criteria and a review process for determining which applicants will receive awards. Refer to page 22 of the RFA for more detail on the selection criteria for this program. DOEE and the Grantee will work together to establish these criteria after DOEE selects the Grantee.

Follow-up Question: Our organization has existing customers who may be ready to implement green infrastructure on their properties. How do we conduct outreach to these properties to get them involved?

Response: This may fall within the green infrastructure site identification program.

4. **Question:** Does the green infrastructure site identification component focus on identifying sites that are good candidates for green infrastructure, or does it extend to constructing the green infrastructure?

Response: The awards for the site identification task will support outreach work and technical vetting to identify cost-effective green infrastructure projects. One deliverable would be a list of sites that have been considered, the type(s) of analysis conducted, and the results of the analysis. The awards for site identification would not pay for the construction of the green infrastructure. However, DOEE anticipates that awardees may be SRC aggregators and may enter into an agreement with a property owner to generate SRCs and also enter into an SRC purchase agreement. If the SRC generator does not build the green infrastructure, DOEE will still have the benefit of the information about potential sites for green infrastructure.

Follow-up Question: Does this analysis include geotechnical studies, soils tests, and other tasks that may determine cost-effectiveness of installing green infrastructure?

Response: Applicants for site identification awards will include a work plan and budget for how potential sites will be identified. DOEE expects this will include a funneling process whereby outreach will be conducted to a large number of sites, some initial technical analysis will be done to a subset of those sites, and more in-depth analysis (which may include geotechnical analysis) would be done for a smaller subset.

Follow-up Question: Will this list of potential sites be made public?

Response: DOEE's expectation is that SRC generators will be identifying potential sites and subsequently constructing the green infrastructure and entering into a purchase agreement with the Grantee. However, if no project results in a reasonable timeframe, DOEE may move forward on further analysis and/or green infrastructure implementation on these sites, which may include making a list of potential sites public.

5. **Question:** Our plan is to install projects and aggregate SRCs. How is this process different from other green infrastructure programs that DOEE offers, such as RiverSmart Communities?

Response: The projects that intend to generate SRCs will need to meet all eligibility requirements for the SRC trading program. There are some differences between these requirements and those for RiverSmart Communities. There are also some additional requirements for projects that will participate in the purchase agreement program. For example, all projects that will participate in the purchase agreement will be in parts of the District that drain to the District's waterbodies without treatment. In addition, the only way that DOEE is providing funding to green infrastructure projects is through purchase

of SRCs. While aspects of the overall process may be similar to RiverSmart Communities, these programs should be viewed separately. DOEE recommends that applicants attend a training session on the SRC trading program. The next SRC trading program training session is on June 1st at 1pm at DOEE (1200 First Street NE). DOEE also offers training about BMP design and retention capacity. This information is used to determine SRC eligibility. Information and documents from training sessions are available at <http://doee.dc.gov/swregs>. DOEE will verify that current training documents are posted.

6. **Question:** When do you expect to make the award?

Response: The application deadline is June 10th, and DOEE's goal is to review applications within 6 weeks of that date.

7. **Question:** When do you estimate that applicants will be eligible to participate in purchase agreements? When do you expect to begin identifying potential green infrastructure sites?

Response: All else equal, DOEE would like to get both programs up and running as soon as possible. DOEE expects this may be feasible within a 6 month timeframe from the grant award. However, it is also important that these programs be well thought out and effective overall, and a longer time may be required. DOEE expects to have a clearer timeline after selecting the Grantee.

8. **Question:** It seems like the Grantee could do technical outreach to identify green infrastructure sites rather than working with a sub-Grantee. Would they be prohibited from working on SRC generating projects?

Response: The Grantee would not be able to receive an award for green infrastructure site identification or to enter into a purchase agreement with itself to buy SRCs. Either of these scenarios would be a conflict of interest.

9. **Question:** Suppose the Grantee is a grant-making agency. What if they give out money separately to do an SRC project but also run the purchase agreement program?

Response: (The following response is fuller and more definitive than the response given at the Question and Answer session). DOEE reserves the right to evaluate the specific proposals made by applicants and also to determine whether the Grantee can enter into a purchase agreement with a specific project. However, generally DOEE would not view it as a conflict of interest for the Grantee to have a separate grant program for green infrastructure that awards funding to a project that also decides to enter into an SRC purchase agreement. It may be relevant to keep in mind that DOEE will initially screen projects interested in participating in an SRC purchase agreement, not the Grantee. In addition, DOEE makes all determinations related to whether a site generates SRCs, including review of stormwater management plans, inspection of sites, and certification of SRCs.

DOEE suggests that any applicant to this RFA that also plans to make separate awards to projects that may enter into an SRC purchase agreement include a description of any programmatic measures that would be employed to avoid the potential for a conflict of interest.

10. **Question:** Would it be a conflict of interest if the Grantee is also assisting an SRC generating project that plans to enter into an SRC purchase agreement? As an example, could the Grantee do the technical work and complete applications for SRC certification for a project that enters into an SRC purchase agreement?

Response: That would be a conflict of interest.

11. **Question:** It seems like there is potential to build many projects in parts of the District where land values are lower and sell SRCs to projects in more expensive parts of town. Is that correct?

Response: That's DOEE's expectation. DOEE also expects that properties with green infrastructure will receive other benefits, such as discounts on their stormwater fees through RiverSmart Rewards. There are various tools on the SRC webpage (<http://doee.dc.gov/src>) that can assist in determining the financial benefits to properties, such as the SRC Financial Return Calculator.

12. **Question:** What type of contract is this?

Response: This is a grant award, rather than a contract. The RFA references various supporting documents and terms. There are many requirements for being DOEE's Grantee that you will want to be familiar with. Once DOEE reviews applications, DOEE will send an award letter, but this is not a contract. For more specific questions, DOEE's grants office can provide a more detailed explanation.

13. **Question:** If an organization wants to receive an award to identify potential green infrastructure sites, the same organization could install green infrastructure there and aggregate SRCs, correct?

Response: Yes, that is the arrangement that DOEE envisions under this program.

Follow-up Question: How is this affected if the recipient of the award wishes to partner with another organization to conduct the technical work?

Response: That arrangement would be up to the recipient of the award and their partner.

14. **Question:** How does the timeline of the purchase agreement work?

Response: The agreement occurs before the green infrastructure is built, but the purchase doesn't occur until after the green infrastructure is built and SRCs are certified. The agreement will specify a price and a number of years for which that price will be available to the project. Once the agreement is made, funding is set aside solely for that purchase, with enough funding to cover the price and number of years specified. Then the

project will need to meet specific milestones, such as completing permitting requirements and starting construction. The purchase agreement will provide that, if the project milestones are not met, it may be terminated and the Grantee may use the funding to enter into an SRC purchase agreement with another project. After the green infrastructure is built and DOEE certifies SRCs, the SRC-generating project may begin selling the SRCs to the Grantee at the price specified in the agreement, and can continue selling SRCs to the Grantee for the number of years specified in the agreement. DOEE recommends referring to section 7.3 of the RFA for more information.

15. **Question:** Will funding for site identification be available retroactively?

Response: Funding can only be spent for work going forward. If research has already occurred, the work to conduct this research will not be eligible for grant funding. Likewise, SRC purchase agreements will only be available for proposed green infrastructure projects that have not yet begun construction at the time they enter into a purchase agreement. Additionally, SRCs can only be generated by voluntary green infrastructure projects and grant funding will only be available for such projects rather than for stormwater retention required under the District's stormwater regulations.

16. **Question:** How are stormwater plans developed?

Response: In order to generate SRCs, properties need to obtain DOEE approval of a Stormwater Management Plan sealed by an engineer licensed in the District. This is part of DOEE's normal review process for reviewing engineering documents prior to construction of projects. After the plan is approved, construction can begin, with DOEE inspections at several project milestones, including at the end of construction. An as-built stormwater management plan must also be submitted. The Grantee is not responsible for managing plan review or construction processes, except to track completion of project milestones required per the purchase agreements.

Follow-up Question: What is the process for projects that don't need a Stormwater Management Plan?

Response: SRC program rules require that all SRC-generating projects have a Stormwater Management Plan.

17. **Question:** Will you upload a copy of the sign-in sheet for this meeting to the DOEE website?

Response: Hearing no objections from those in the meeting and on the call, DOEE will plan to provide the list with contact information, unless DOEE's grants office disapproves.

18. **Question:** Will information developed by the Grantee go into an existing database, or will a database need to be created?

Response: All Stormwater Management Plans are tracked in DOEE's Stormwater Database (<http://doee.dc.gov/swdb>). Stormwater Management Plan and green

infrastructure information is submitted in the database during the plan review process, and DOEE also tracks inspection, SRC generation, stormwater fee discounts, and other information with the Stormwater Database. Anyone can go to the Stormwater Database and request an account. A list of sites that are vetted will be compiled by the Grantee and submitted to DOEE in a format determined by DOEE and the Grantee. DOEE anticipates this will take the form of excel spreadsheets or a module that gets built into the Stormwater Database and which would be available only to DOEE and the Grantee.

19. **Question:** Will there be a follow up meeting?

Response: DOEE is not planning any additional meetings. Notes from this meeting will be posted at <http://doee.dc.gov/node/1158882>. Everyone on the email list for this RFA will be notified when additional questions and answers are posted. If an additional meeting is planned, DOEE will notify the email list.

20. **Question:** Will the price of SRCs be negotiated per project or will it be a consistent price?

Response: At any point in time, a single price per SRC and a consistent number of years available in the purchase agreement will be available to all similar projects. However, DOEE expects that the price and number of years may vary over time. It is also possible that a tiered approach may be available at some time such that a certain price is available during the initial years of the agreement and a different price is available in later years. Another possibility is that more favorable terms will be offered for projects in areas that are a relatively high priority for DOEE, such as those in areas that drain to the District's more vulnerable non-tidal waterbodies or those in areas that drain to waterbodies where DOEE is conducting a separate stream restoration project. The RFA allows flexibility in determining these terms, but all similar projects will have the same terms available at the same point in time.

Additional Comments from DOEE

- DOEE maintains a list of contact people who want to participate in SRC trading. This includes a list of property owners who may want green infrastructure installed, a list of civil engineers who want to perform green infrastructure design work, a list of financial firms that may invest in green infrastructure, and a list of potential SRC aggregators. Anyone who wants to be on these lists or who wants to request a copy of these lists can email SRC.Purchase@dc.gov.