

Clean Water Solutions, (CWS)

July 4th, 2017



Clean Water Solutions is an innovative way to provide financial assistance to LMI cluster communities and assist them with public health problems, environmental problems. CWS creates a sustainable solution for LMI communities by offering a low-cost water and wastewater transfer of assets to a Non-profit utility.

The Challenge: There are approximately 165 community wastewater systems in Sussex County, Delaware that are operating outside the reach of the municipal or county wastewater treatment pipes. About 80 of these are community septic systems, serving about 8,000 people. An unknown percentage of these cluster communities have systems that are broken or failing—causing a public health hazard, and environmental problems because of nutrient overload flowing into the ditches and streams, eventually finding its way to the Bays. An increasing number of these community wastewater systems will reach the end of their operational lives within the next five (5) years. This is a growing public health problem that imperils not only the citizens in these cluster communities, but also the state of Delaware.

- The expense for the repair and operation of these systems, by a For-Profit wastewater utility is simply “out of reach” for the cluster community’s budget;
- For-profit utilities cannot operate the community wastewater systems because it is economically infeasible; and
- The cluster community itself is not creditworthy enough to receive loans from government or private financing entities.

The Solution: Through the collaboration of three non-profit companies, EDEN Delmarva, (EDEN) Diamond State Sustainability Corporation, (DSSC) and Southeast Rural Community Assistance Project, (SERCAP) (altogether Clean Water Solutions) (“CWS”). These problems can be resolved by transferring the water and wastewater assets to CWS, a Non-Profit Utility. Non-profit entities have access to funding resources that are simply not available to for-profit companies. The financing for this transfer of assets is available. The resources are grants and low-cost loans from private foundations and other federal and state entities that provide money for the mitigation of environmental problems, and money for environmental justice funding for communities.

The Pilot: With the help of other stakeholders in Delaware including The Department of Natural Resources and Environmental Control, (DNREC) and the USDA Rural Development office, as well as three (3) Congressional Committees; including Senator Carper’s office, Senator Coons’ office, and US Representative Lisa Blount-Rochester’s office, CWS has identified a group of six (6) cluster communities that will become the Pilot project for CWS to demonstrate that the transfer of assets from the cluster community to the Non-Profit Utility will be economically sustainable, and environmentally successful.

Financing for the Transfer of Assets: In Delaware, a utility that operates wastewater and/or water assets, must file a certificate of public convenience and necessity with the Public Service Commission, (CPCN). The Public Service Commission oversees the determination of the rates for wastewater service, and water service. The Public Service Commission will review and approve the utility rates for service. EDEN, the non-profit company that is the financing collaborator will seek funding for CWS to transfer utility assets from each community in the Pilot program, to the Non-Profit Utility, Diamond State Sustainability Corporation:

- Costs for each of the six (6) communities in the Pilot program are approximately \$25,000 to \$30,000 including preliminary engineering; legal fees; and permitting costs;
- CWS, has already raised \$58,000 and through new grant applications will reach \$83,000 by the end of September, 2017;
- \$83,000 is enough to fund all costs for three (3) out of six (6) in the Pilot project. This is half of the CWS goal for 2017-2018.

End Result by Year-End, 2018: By year-end 2018, CWS will have completed six (6) out of six (6) transfers of utility assets, from each cluster community to DSSC. CWS will have filed six (6) out of six (6) CPCN’s with the Public Service Commission.

Additional Resource(s):

AUDIO | Sen. Carper announces major wastewater reform for rural communities in Delaware - http://www.delaware1059.com/news/audio-sen-carper-announces-major-wastewater-reform-for-rural-communities/article_0022569e-88ef-11e7-b97e-23a640a22ebb.html