
Director has the discretion to determine whether recipients are required to ensure the operation and maintenance of such components.

I. Consolidation Incentives

To the extent possible based on funds available, and to encourage the regionalization of wastewater service, the Deputy Director may offer funding for an eligible capital project that solely benefits the receiving system (Incentive Project) to a receiving system that, with State Water Board funding, completes a full physical consolidation with a previously unsewered small DAC, or with existing wastewater systems(s) serving small DAC(s) that are not owned by the receiving system (Consolidation Incentives). A receiving system is the system that remains in place after a consolidation project is complete.

DFA is authorized to offer a receiving system a maximum of \$10 million in zero percent (0%) interest rate financing per consolidated community/water system from available sources for planning or construction of an Incentive Project. The Consolidation Incentive may be applied to one or more eligible capital improvement projects chosen by a receiving system and approved by DFA. Incentive Project financing may be combined with other financing options, including CWSRF funds, to fully fund an Incentive Project. The subsidized financing for the Incentive Project is in addition to any subsidized financing for the associated consolidation project.

Receiving systems interested in receiving Consolidation Incentives should submit, at minimum, a CWSRF General Application Package for the Incentive Project(s) to DFA before completion of the associated consolidation project(s). The application should indicate that it is for an Incentive Project and identify the associated consolidation project(s). The receiving system must also complete and submit a full CWSRF application for the Incentive Project(s) within one year of completion of the associated consolidation project(s), or Subsumed System acquisition (if DFA is not funding the consolidation). The Deputy Director is authorized to allow additional time for good cause. Receiving systems that have implemented or are implementing a consolidation that does not include a DFA-funded consolidation project may be eligible for Consolidation Incentive at the discretion of the Deputy Director of DFA, but these Incentive Project(s) will generally be considered a low priority, and must meet above-described application deadlines tied to the date of Subsumed System acquisition.