

Requirements

DRY CLEANING ESTABLISHMENT REMEDIATION FUND

The Dry Cleaning Establishment Remediation Fund provides grants to eligible dry cleaning business operators and landlords for the assessment, clean-up, containment, or mitigation of pollution resulting from releases of tetrachloroethylene, stoddard solvent, or other chemicals used for dry cleaning. The grants may also be used for measures undertaken to prevent such pollution, and for providing potable drinking water when necessary. These grant funds may work as a reimbursement program.

The applicant must:

Be current in filing any state and federal taxes and the dry cleaning establishment surcharge returns imposed by CGS§12-263m.

- Demonstrate that the affected establishment is using or has previously used tetrachloroethylene or stoddard solvent.
- Be in business at least one year prior to the application for assistance.
- Be the current operator of the establishment or the landlord.
- Certify that there are no outstanding litigation proceedings involving the applicant.
- Identify the responsible party to complete the site investigation and remediation including the funding source to complete the project for costs over and above approved state funding.

Evaluation Criteria

Grant applications are evaluated based on the following: risk to public health, magnitude of the problem, effectiveness of LEP/environmental consultant's proposal (cost and environmental effectiveness), applicant's need for assistance date of application and availability of program funds.

Grant Size & Initial Copay

No dry cleaning establishment site shall receive more than \$300,000 from the fund. All dry cleaning establishments are to bear the first \$10,000 in costs for a given project. Proof of expending the initial \$10,000 fee is required of every applicant of a site. Substitutions to an original application will need to be reviewed thoroughly by DECD. Subsequent applicants will still be required to pay the initial co-pay. The co-pay is a requirement of each dry cleaning applicant to a site.

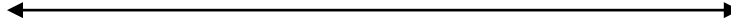
Legislative References Sec. 12-263M

- Section (b) requires that a 1% surcharge be imposed on the establishments dry cleaning receipts and be paid to DRS by the establishment.

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- The funds can also be used for grants to DEEP to investigate dry cleaning sites and to provide potable water.

Application Review



Applications are accepted only during an announced round of open funding. All required documents for DECD application approval must be submitted for funding consideration by the specified application due. Notifications of funding rounds will be placed on the website www.ctbrownfields.gov, under the Dry Cleaning section. Grant funds are based on the availability of the funds in the state dry cleaning surcharge account fund.

Review and Processing

The applicant will submit a completed application available on the website. All required documents for DECD application approval must be submitted for funding consideration by the specified application date and time.

A complete submittal consists of the following:

- ✓ application
- ✓ budget
- ✓ scope of work for the activities
- ✓ evidence of initial \$10,000 co-pay
- ✓ copies of QP-375 surcharge submittal forms (last 4 quarters).

DECD coordinates with the Department of Revenue Services (DRS) and the Department of Labor (DOL) regarding the applicant's tax status to qualify the application. These clearances are required and done early in the review process.

- DECD coordinates with DEEP regarding any outstanding non-compliance issues with the site
- Program Manager prepares summary and recommendation on the applications for the DECD Commissioner's review and approval.
- Application status letters, inquiries and correspondence are sent out to all the applicants throughout the application and review process as needed. Emails and phone calls are also conducted.
- Approval or denial letters are generated for each applicant.
- An applicant will be eligible for up to \$300,000 per site
- Cost estimates will be provided by a Licensed Environmental Professional (LEP) and verified by DECD. DECD may obtain concurrence from the Department of Energy & Environmental Protection (DEEP) to confirm requested grant amount

- All the site investigation phases scope of work shall be approved by DEEP and/or an LEP
- All sites must be registered with DEP under the Property Transfer Act or Voluntary Remediation Program (CGS 22-a-133x)

RETURNING GRANTEES SEEKING ADDITIONAL FUNDS

If a grantee has received less than \$300,000 in support from the Fund and wishes to seek additional funds, a Returning Applicant Application must be submitted.

DECD will follow up with DRS for customary clearance. The decision for additional funding will be made by DECD based on available funds. No site can receive more than \$300,000 in total support from the Fund. The returning applicant will receive an approval or denial letter.

Contracting Process

Request for Outside Counsel is made to Attorney General's office by DECD to prepare an Assistance Agreement ("contract") between the approved applicants and the State of Connecticut acting through DECD. All dry cleaning grant funds are contracted through a boiler plate assistance agreement standard to all dry cleaning grant fund recipients. The DECD legal fees associated with the contracting are paid by the dry cleaning fund.

- Applicants who are incorporated are required to provide DECD with a Certificate of Good Standing and a Corporate Resolution, and possibly additional closing documentation.
- The Assistance Agreement is executed by the Applicant, the Commissioner, and approved as to form by the Attorney General's office. DECD receives a set of the final approved contracts and shares them with the contracted applicant.

Budget Preparation

- Budgets are developed by the applicant and the LEP during the proposal phase of contracting.
- Initial budgets for grants/loans are set for an initial two year time frame. A current budget must be in place during the life of the project. The initial budget is approved by DECD Commissioner. Budget signator from the applicant must match the assistance agreement signator.
- Amendments are allowed in order to shift line items or to extend time frames. Executed budgets will be included in the closing binders upon completion of the contracting phase.

Budgets can include other funding associated with the project to show additional financing outside of the dry cleaning grant.

Funding Requirements

- All applicants must demonstrate the need for funding for the amount being requested
- Applicants must take responsibility for funds above the approved grant to complete the site remediation
- There must be a DEP/LEP approved RAP to substantiate the estimates prepared by an LEP. Dry cleaning funds can only be applied to costs related to the dry cleaning contamination. Submittals of ineligible costs will not be processed.
- The estimates will be verified by DECD and may be coordinated with DEEP for concurrence.
- The payment of the funds will be based on a reimbursement basis and in accordance with DECD policies and subject to availability of program funds. Alternative disbursements of the funds can also be requested.
- Applicant must take responsibility to complete the site remediation beyond the approved grant funding as applicable.

Electronic Transactions



Payment Requisition Process Electronic Banking

Once the Assistance Agreement is approved by the Attorney General's office, the applicant can begin submitting payment requisitions to DECD. First however, an electronic banking account needs to be set up with the State Comptrollers' office. After submittal of required forms, the Comptroller sends one penny as a test deposit and also a corresponding email. The following documents are required:

Agency Vendor Form
Direct Deposit Form w/voided check
W9

Website Address for forms - www.osc.ct.gov/vendor/directdeposit.html

Grantees who have received funds in the past are encouraged to initiate the electronic banking system for supplemental funds received from the dry cleaning fund. Funds are disbursed to grant & loan recipients on a reimbursement basis. Special considerations can be made for advance payments (hard costs only). All costs must be submitted with verifiable invoices to the DECD.

Payment Requisitions

Grant funds are requested through a verified requisition process. DECD will provide a payment requisition form that is generally executed by both the applicant's LEP and by the grantee. The form must include all backup information such as contracts; invoices; subcontractor invoices (*any markup shall be clearly identified*); cover letter (*see below for details*); daily field records; labor, equipment and/or materials spreadsheets, etc. A current budget must be in place for the project in order to process payments. As the payment process continues for a project, it is important to supply all contracts associated with the project to the DECD project manager. All associated deliverables including regulatory filings must also be circulated to DECD. All contracts stemming from all major contractors (LEP/Environmental Professional Services/Remedial Contractors) must be executed and all associated deliverables including regulatory filings must also be forwarded to DECD.

- A cover letter is to be prepared and submitted with each payment request to include:
 1. Identification of the contract/proposal for which the work has been authorized and the applicable task or line item that applies.
 2. The timeframe for which the service associated with the payment request were rendered.
 3. A brief but clear description, by task, activities that were conducted during the billing cycle and invoiced.

TIME TABLE

- DECD reviews and approves the payment. Payments are reviewed and approved by Program Manager (1 – 2 weeks)
- DECD Finance office processes payment over to State Comptroller's office via CoreCT (7 – 10 business days)
- Funds are released electronically within 48 hours. Paper checks may take up to two weeks to process.
- Dates of service are reviewed for all invoices. Invoices must be dated during the budget time frame set for the project. The eligible invoices must be submitted for dry cleaning related expenses allowed under the grant.
- The payment requisition form must match the budget line items set within the overall project Financial Plan & Budget for the project.

Compliance & Closeout



- The applicant will comply with the requirements of the Assistance Agreement. It is a requirement of the program to submit annual status reports to DECD as an update to the project. The cost of generating an annual report is not a reimbursable expense. These reports are required until the grant funds are fully expended. The Annual Report may be submitted by the LEP or the consulting firm on behalf of the applicant.
- Applicants must submit “approval letter” from DEEP or “verification letter” from the LEP to close out a contract.
- The applicant will conduct a project audit specific to the project within 90 days of the project completion. The audit shall be in accordance with the DECD Audit Guide.