



# Water Quality Improvement Fund (WQIF)

## Program Status

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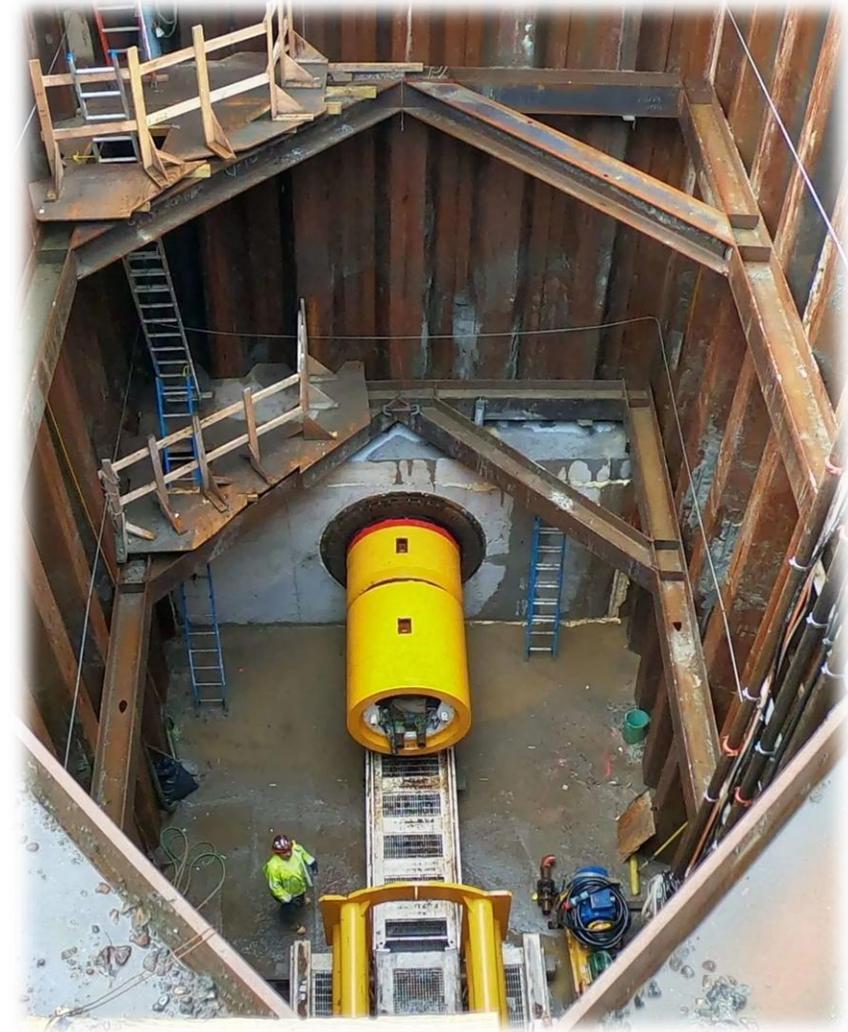
February 9, 2026

# WQIF Background

- The WQIF fund purpose at DEQ is to provide grants to localities for designing and installing nutrient removal technologies at publicly owned treatment works
- POTWs were asked to accelerate nutrient reduction in the Chesapeake Bay Phase III WIP. Therefore in 2021, the Enhanced Nutrient Removal Certainty Program (HB 2129/SB1354) was established, requiring wastewater treatment technology upgrades at certain POTW's to meet nutrient removal requirements within specified time frames
- DEQ is not permitted to use WQIF funds for administrative costs; \$500,000 needed annually to support the program
- § 10.1-2131.B: The Director of DEQ shall enter into grant agreements with all facilities designated as significant dischargers or eligible nonsignificant dischargers that apply for grants; however, all such grant agreements shall contain provisions that payments thereunder are subject to the availability of funds
- Grant agreement standard language: "Payment of Grant. *Payment of the Grant is subject to the availability of monies in the Fund allocated to point source pollution control and Section 4.4 herein.*" Section 4.4 of the grant agreement goes into greater detail

# WQIF Grant Projects Summary

- Existing Open Grants
  - Total dollars awarded:  
\$634,655,030
  - 16 total projects in 14 localities
- Grants Under Evaluation
  - \$431,964,277 estimated need
  - 3 projects in 2 localities (Suffolk & Frederick County)



# WQIF Needs Assessment

- Determined by Annual Needs Assessment (§10.1-2134.1) completed by stakeholders; 23 responses from 13 prospective grantees received
- Reported project costs are estimated at \$3.56 billion, with WQIF eligible costs estimated to be at least \$1.17 billion through 2030
- 5 projects identified in the April 2025 Needs Assessment, totaling \$792.5 million, are now active projects or under evaluation

**2025 WQIF Needs Survey Results – WQIF Point Source Funding Need for 2026 to 2030**

WQIF Grants	2026	2027-2028 Biennium		2029-2030 Biennium		Total Need (2026 – 2030)
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	
Applicant Identified Need (\$)	\$419,727,590	\$401,889,942	\$129,330,219	\$105,165,103	\$113,445,308	\$1,169,558,162
<b>TOTALS</b>	<b>\$419,727,590</b>	<b>\$531,220,161</b>		<b>\$218,610,411</b>		<b>\$1,169,558,162</b>

# Total WQIF Need

Total WQIF Need through Upcoming Biennium				
	FY26	F27	F28	Cumulative Need
Balance and FY26 Bonds	612,144,607	183,521,615	-	612,094,507
Pending and Active Obligations	(374,702,899)	(441,007,756)	(123,898,090)	(939,608,745)
FY27/FY28 Introduced Budget*	-	140,550,000	-	140,550,000
Needs Assessment Estimated Requests**	(53,920,093)	(71,934,604)	(63,577,643)	(189,432,340)
<b>Net Balance</b>	<b>183,521,615</b>	<b>(188,870,745)</b>	<b>(187,475,733)</b>	<b>(376,396,578)</b>

\* If the final budget bill does not include this appropriation, this obligation will continue and increase the need in FY28 to \$329.4 million.

\*\* Excludes the 2025 Needs Assessment projects that are now executed or pending agreements.

Note: The updated request is a \$14.3 million reduction in need for the biennium based on grantee supplied disbursement request forecast revisions as of February 6, 2026. The previous budget request was for \$401.9 million and \$129.3 million in FY27 and FY28, respectively.

# Questions?

