

Department of Conservation and Natural Resources

Fiscal Policy #F-001	Supplemental Environmental Project Fund Policy and Procedure	Next Rev. <i>As needed</i>	Pages 3
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REFERENCES: US EPA Supplemental Environmental Projects policy, May 1, 1998; Division of Environmental Protection Division Administrative Manual (DAM) Sec. 2906

PURPOSE: To provide policy and procedure for administering the DCNR SEP Fund and SEP projects financed by the Fund

SCOPE: Applies to all Divisions

EFFECTIVE DATE:

Introduction

Supplemental Environmental Projects (SEPs) are defined by US EPA as "environmentally beneficial projects which a defendant/respondent agrees to undertake in settlement of an enforcement action, but which the defendant/respondent is not otherwise legally required to perform." A SEP Fund has been created within the Department of Conservation and Natural Resources (DCNR) Gift and Donations Account.

DCNR has also created and will maintain a prioritized SEP Project List. If provided for in a settlement agreement and consistent with the Division of Environmental Protection (DEP) SEP policy (DAM Sec. 2906), a defendant/respondent can choose to pay into the DCNR SEP Fund in lieu of developing a specific SEP or paying a penalty. The defendant/respondent may also choose to fund or partially fund a specific project on the SEP Project List. The SEP Fund will only be used to finance projects from the DCNR SEP Project List.

DCNR SEP Committee

1. The DCNR SEP Committee shall be appointed by the Director and shall have a minimum of three members from at least 2 different DCNR Divisions.
2. At least one member shall be from DEP.
3. The purpose of the SEP Committee is to review and prioritize projects on the SEP Project List, allocate SEP Funds to eligible projects and provide oversight of the SEP Fund.

Project list development

1. At least quarterly, and more frequently if warranted, projects eligible for DCNR SEP Funds will be solicited from the DCNR Divisions. On behalf of the Director's Office, DEP's Chief of Administrative Services shall coordinate solicitation of projects and shall develop and maintain the SEP Project List.
2. Projects will be pre-screened to ensure that they meet the legal requirements of a SEP.
3. The SEP Project Eligibility Checklist (attached) will be used as a guide in pre-screening projects for eligibility.
4. At least annually, the SEP Committee shall prioritize projects on the SEP Project List.
5. In prioritizing projects, the SEP Committee will consider the environmental benefits and priorities, project readiness and urgency of the project.

Selecting project to be funded

1. At least quarterly, the DCNR ASO will report to the SEP Committee the amount in the SEP Fund.
2. The defendants/respondents may select a project from the Project List that they wish to fund.
3. If the defendants/respondents do not select a project, the SEP Committee will select projects from the SEP Project List to be funded.
4. In determining which projects to fund, the SEP Committee will consider the environmental benefit, the urgency of the project, the readiness of the project, and the preferences of defendants/respondents as expressed in settlement agreements.
5. In selecting projects, the SEP Committee will also consider matching funds that may be available.

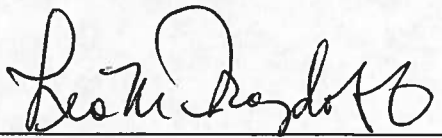
Project implementation

1. The SEP Committee will assign implementation and management of individual projects to the appropriate Division.
2. The Division managing the implementation of the project will approve invoices for payment.
3. Project invoices will be paid directly from the DCNR SEP Fund.
4. The DCNR ASO will process invoice payments and track the utilization of the SEP funds.
5. In processing the payments, each project will be coded with a unique job number to allow tracking of expenses by project.
6. Successful project completion will be documented. In accordance with DEP SEP policy (DAM Sec. 2906), a defendant/respondent's obligation is deemed satisfied upon

remittance of the agreed to amount to the SEP Fund. However, as a courtesy defendants/respondents whose funds contributed to a specific project will be notified of project completion.

Exceptions

Any exceptions to this policy must be approved by the Director.

 _____	<u>2/14/13</u> _____
Approved by DCNR Director	Date

DCNR SEP Project Eligibility Checklist

Eligible projects - one or more of the items in this section should have a yes answer

Description	Yes	No
Does the project reduce the overall risk or impact to public health or the environment?		
Habitat restoration		
Stream/river/lake bank stabilization or restoration		
Pollution reduction project		
Environmental restoration project		
Pollution prevention project		
Emergency Planning and Preparedness		

Ineligible projects -- no item in this section can have a yes answer

Description	Yes	No
General educational or public awareness project		
Is the project something that is NDEP is required to do?		
College or University environmental research		
Project is unrelated to environmental protection		
Regulated industry is legally required to implement the project		