



FEDERATION  
OF CANADIAN  
MUNICIPALITIES

FÉDÉRATION  
CANADIENNE DES  
MUNICIPALITÉS

GREEN MUNICIPAL FUND  
PREREQUISITES

**GMF Prerequisites and Supporting Documents for a Capital Project in the Water Sector**

The prerequisites and supporting documents required are determined based on whether your organization is a municipal government or a partner of a municipal government (municipally owned organization or non-municipally owned organization) and on the sector of the environmental initiative. The list also outlines the requirements and conditions that your organization must fulfill before you submit an application. **Please note that additional documentation may be requested.**

**To be eligible for funding, all capital projects must meet our [eligibility criteria](#), which vary depending on the sector of the environmental initiative.**

Type of organization	Prerequisites/Documents
All	<p><b><a href="#">Water conservation projects — residential</a></b></p> <p>1. <a href="#">Feasibility study</a> that supports the initiative</p> <p><b>AND</b></p> <p>2a) Current volume of metered water production into the distribution system and yearly historical water consumption figures for any metered users (minimum three years of data, where available)</p> <p><b>OR</b></p> <p>2b) The current volume of water delivered per capita (minimum of one year of data where available)</p>
	<p><b><a href="#">Water conservation projects — institutional</a></b></p> <p>1. <a href="#">Feasibility study</a> that supports the initiative</p> <p><b>AND</b></p>

Type of organization	Prerequisites/Documents
	<p>2. Annual metered water consumption for the facility (minimum one year of data, where available)</p>
	<p><b><u>Stormwater management projects</u></b></p> <p>1. <a href="#">Feasibility study</a> that supports the initiative</p> <p><b>AND</b></p> <p>2. Continuous simulation model output of baseline 24-hour storm runoff volume for the target site. Data must include the long-term rainfall record, inter-event times (between rainfall events), current site infiltration, and infiltration recovery rates.</p>
	<p><b><u>Wastewater systems projects</u></b></p> <p><a href="#">Feasibility study</a> that supports the initiative, including current levels of discharge of required parameters.</p>
	<p><b><u>Septic systems projects</u></b></p> <p><a href="#">Feasibility study</a> that supports the initiative, including current water quality conditions in the water body receiving the flow from the septic system.</p>
	<p>Executive summary of the environmental assessment of your initiative, if required under federal and/or provincial laws.</p>
	<p><b>Municipal plan</b>, such as a <a href="#">sustainable community plan</a>, strategic plan, or <a href="#">sector plan</a>, which supports the need for this capital project and has been approved by the municipal government’s council.</p>
	<p><a href="#">Evidence of consultation with your provincial or territorial government</a>. A letter is sufficient evidence of consultation. <b>Note:</b> This requirement does <b>not</b> apply to municipal governments in Quebec.</p>
	<p><a href="#">Risk management plan</a> for the project.</p>
	<p>A <a href="#">letter from each confirmed funding source</a> identified in the Sources of Funding table. The letter must indicate the amount</p>

Type of organization	Prerequisites/Documents
	of cash and/or in-kind contributions to the initiative.
Municipal government entity	Signed municipal council resolution describing your organizational commitment to, and financial support for, the project and funding application to GMF.
	Most recent audited financial statements.
	If available, a business plan and any associated contracts that demonstrate revenue generated from the environmental initiative.
Partner of a municipal government entity – municipally owned organization	<a href="#">Documents</a> that demonstrate that 1) there is a partnership between your organization and a municipal government, and 2) that the municipal government has a genuine interest and active involvement in the environmental initiative.
	Signed letter from the chief executive officer or chief financial officer of your organization confirming your level of financial commitment, and giving evidence of your board of directors’ support for the proposed environmental initiative and funding application to GMF.
	Audited financial statements for the last three years.
	Business plan and any associated contracts that demonstrate revenue generated from the environmental initiative.
	Cash flow projections of the project demonstrating the revenue generation and the repayment capacity of the loan.
	If available, an external guarantee or other credit enhancements that might improve your ability to repay the loan.
Partner of a municipal government entity – non-municipally owned organization	<a href="#">Documents</a> that demonstrate that 1) there is a partnership between your organization and a municipal government, and 2) that the municipal government has a genuine interest and active involvement in the environmental initiative.
	Signed letter from the chief executive officer or chief financial officer of your organization confirming your level of financial commitment, and giving evidence of your board of directors’ support for the proposed environmental initiative and funding

Type of organization	Prerequisites/Documents
	application to GMF.
	Audited financial statements for the last three years.
	Business plan and any associated contracts that demonstrate revenue generated from the environmental initiative.
	Cash flow projections of the project demonstrating the revenue generation and the repayment capacity of the loan.
	If available, an external guarantee or other credit enhancements that might improve your ability to repay the loan.

**NOTES:**

**Water conservation projects – residential**

Your project must demonstrate the potential to reduce residential potable water consumption intensity (per capita) by at least 20%.  
 Baseline = average of the previous three years of consumption (m<sup>3</sup>) on a per capita basis.

**Feasibility study – water**

An assessment of the technical and financial feasibility, as well as the environmental, social, and economic impacts of a potential municipal environmental project. A municipal environmental project is a project that responds to a municipal need and contributes to cleaner air, water, and/or soil, and/or reduces greenhouse gas emissions. A feasibility study typically includes an assessment of the requirements and outcomes of a specific project using verifiable evaluation processes, leading to a recommended course of action. The study must explain the anticipated environmental benefits to be achieved by the project (e.g. reduction in pollutant loading) and the methodology that will be used to measure the actual results/project performance.

Your feasibility study should include confirmation that the project can achieve or exceed the prescribed target for a given project type (water conservation, stormwater management, wastewater systems, septic systems).

**Water conservation projects – institutional**

Your project must demonstrate the potential to reduce institutional potable water consumption by 30%.  
 Baseline = average of the previous three years of consumption (m<sup>3</sup>) on an overall basis for a facility of group of facilities.

### **Stormwater management projects**

Your project must demonstrate the potential to eliminate all site discharge for the 90% rainfall event.

Baseline = the storm event that is greater than or equal to 90% of all 24-hour storms on an annual basis for the entire rainfall record.

### **Wastewater systems projects**

Your project must include at least one tertiary treatment process (e.g. sand or activated carbon filtration, membrane treatment, nutrient removal, odour removal) and, at a minimum, aim to meet the following effluent quality standards:

- five-day carbonaceous oxygen demand (CBOD<sub>5</sub>) of 25 mg/L
- total suspended solids (TSS) of 25 mg/L
- total residual chlorine less than or equal to 0.02 mg/L

### **Septic systems projects**

Your project must demonstrate the potential to capture and treat 100% of septic system contents for a target area. They must achieve more advanced levels of treatment such as secondary or beyond (e.g. nutrient removal). Septic tank replacements within the same system are not eligible for funding.

### **Sustainable community plan**

A plan developed through public consultation that identifies a vision and includes environmental, social, and economic goals and targets for the community. The plan also describes the short-, medium-, and long-term strategies for reaching its goals and targets, and integrates all areas of a municipal government concern, such as energy use, neighbourhood and transportation planning, and waste and water management (e.g. integrated community sustainability plan).

Other plans, such as a master plan or official plan, can also fulfill this requirement.

### **Sector plan**

A plan that identifies sustainability goals or targets for a sector of a municipal government activity (e.g. sustainable transportation plan, solid waste management plan, solid waste diversion plan, water conservation strategy).

### **Risk management plan for the project**

A plan that describes how your organization plans to minimize the environmental, business and financial risk of the project activities and outcomes. Typically, it includes:

- identifying the various types of risks
- the probability that each will occur
- their potential impacts
- measures to decrease the probability of risk

- measures to mitigate the potential impacts

The risk management plan may be part of a feasibility study or business plan.

### **Sources of funding**

All sources of funding will have to be confirmed in writing and submitted to FCM prior to the first disbursement.

### **Document requirements for a partner of a municipal government entity – municipally owned organization**

You must provide:

1. A copy of:
  - the shareholder agreement with the municipal government
  - if available, any other official document that explains the relationship between your organization and the municipal government, regarding the environmental initiative

**AND**

2. Documents that answer some or all of the following questions:
  - Does the environmental initiative respond to a municipal need?
  - Was this municipal need an important element to the environmental initiative?
  - Does the municipal government have more than a passing or cursory interest and involvement in the environmental initiative?
  - Is the municipal government actively involved in some element of the design, planning or execution of the initiative?

### **Document requirements for a partner of a municipal government entity – non-municipally owned organization**

You must provide:

1. Document(s) to establish the partnership. A partnership in the legal sense is not required but there must be a collaborative relationship between your organization and the municipal government regarding the environmental initiative.

For example, you may establish the partnership by attaching copies of written agreement(s) between your organization and the municipal government pertaining to the environmental initiative, which describe(s):

- the intent of the partnership for the environmental initiative
- roles and responsibilities of each
- contributions of each

- anticipated benefits for each from the partnership

**AND**

2. Documents that answer some or all of the following questions:

- Does the environmental initiative respond to a municipal need?
- Was this municipal need an important element to the environmental initiative?
- Does the municipal government have more than a passing or cursory interest and involvement in the environmental initiative?
- Is the municipal government actively involved in some element of the design, planning or execution of the initiative?