TDEC ARP Non-Competitive Grant

Grant Workshop

April 2022

TN Department of
Environment &
Conservation

Welcome!

We will offer multiple breaks and opportunities to ask questions throughout the workshop.

Agenda and Logistics

Partnerships

Workshop Agenda

- **Welcome and Program Overview**

- **Grant Manual**

- **Grant Application and Review**

- **Grant Management System (GMS)**
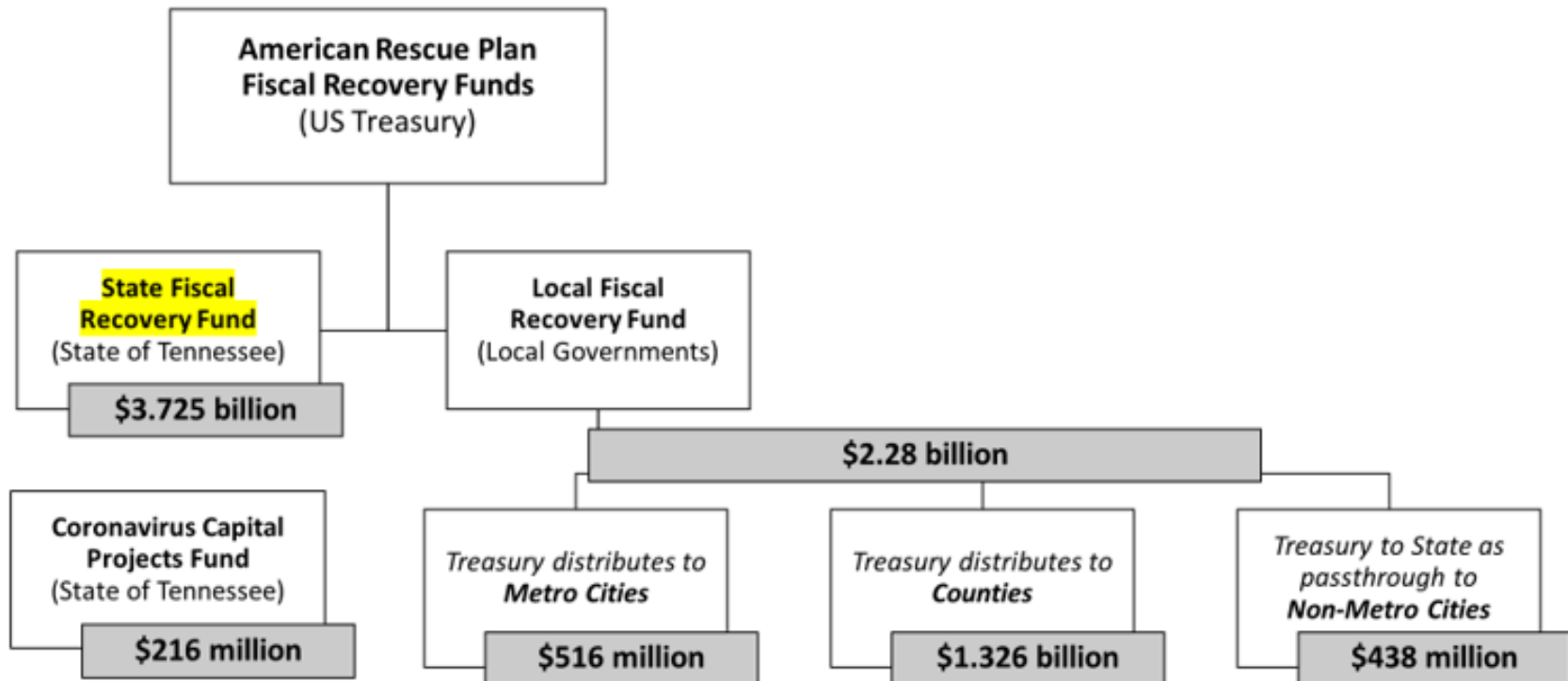
- **Q&A Session**

- **Closeout**

American Rescue Plan (ARP) State and Local Funding for TN

Local Fiscal Recovery Funds:
- Deposited directly to local governments from U.S. Treasury or the State of Tennessee
- Does not require match/co-funding
- Requires justification of spending
- May be used on any eligible activity as defined by U.S. Treasury's Final Rule

- Requires application to TDEC with project details to access funds
- Requires match/co-funding (15-35% with available incentives)
- May only be used on drinking water, wastewater or stormwater projects

American Rescue Plan Fiscal Recovery Funds (US Treasury)

State Fiscal Recovery Fund (State of Tennessee) — $3.725 billion

Local Fiscal Recovery Fund (Local Governments) — $2.28 billion

Coronavirus Capital Projects Fund (State of Tennessee) — $216 million

Treasury distributes to Metro Cities — $516 million

Treasury distributes to Counties — $1.326 billion

Treasury to State as passthrough to Non-Metro Cities — $438 million

TDEC American Rescue Plan (ARP) Overview

- $1 billion offered to counties and eligible cities through a formula-based, non-competitive grant program
- Application solicitation open April to November 2022
  - Counties and eligible cities must apply to TDEC through TDEC's Grant Management System (GMS)
  - Application may include multiple projects that total the available funding allocation to the county or city
    - An application's budget is the sum of the funding allocation from the State and the co-funding contribution
  - Projects may involve investigation, planning, design and/or construction
  - All systems included in the application are required to complete the Tennessee Infrastructure Scorecard and submit their Scorecard summary
  - Applications must demonstrate addressing critical needs identified through Scorecard completion
- Requires co-funding (15-35%) based on the city's or county's Ability to Pay Index (ATPI)

TN

ARP Website and Email

- **Website:** https://tn.gov/environment/arp
  - Water Infrastructure Investment Plan
  - Non-Competitive Grant Manual
  - Resources
  - Email Listserv Sign-Up
- **Email:** TDEC.ARP@tn.gov
  - Any TDEC ARP Questions
  - Monitored Daily

Grant Manual

Grant Timeline

April 2022

Application period for collaborative grant proposals opened

June 1, 2022

Application period for non-collaborative grant proposals opened

November 1, 2022

Non-competitive grant phase closes

May 30, 2022

First round of collaborative grant awards announced; grant awards announcement monthly thereafter as needed

August 31, 2022

First round of non-collaborative grant proposals announced; grant awards announcement monthly thereafter as needed

December 31, 2022

All remaining grant awards announced and contracts executed

TN

Funding

County	City	ATPI	Representative Population		Base Allocation	Population Allocation	ATPI-Population Allocation	Total Allocation	Co-Funding Level
Greene	Baileyton	30	436	0.01%	$561,798.00	$15,757.97	$40,277.65	$617,833.62	15%
Shelby	Bartlett	90	57,786	0.84%	$561,798.00	$2,088,509.49	$762,609.51	$3,412,917.00	35%
Putnam	Baxter	50	1,578	0.02%	$561,798.00	$57,032.29	$104,125.38	$722,955.67	15%
Bedford	Bell Buckle	80	410	0.01%	$561,798.00	$14,818.28	$10,821.65	$587,437.92	35%
Davidson	Belle Meade	100	2,901	0.04%	$561,798.00	$104,848.34	$0.00	$666,646.34	35%
Crockett	Bells	60	2,463	0.04%	$561,798.00	$89,018.08	$130,018.15	$780,834.23	25%
Polk	Benton	40	1,523	0.02%	$561,798.00	$55,044.47	$120,595.40	$737,437.87	15%
Davidson	Berry Hill	90	2,112	0.03%	$561,798.00	$76,332.19	$27,872.34	$666,002.54	35%
McNairy	Bethel Springs	10	742	0.01%	$561,798.00	$26,817.47	$88,130.45	$676,745.92	15%
Benton	Big Sandy	10	486	0.01%	$561,798.00	$17,565.08	$57,724.26	$637,087.34	15%
Grainger	Blaine	50	2,084	0.03%	$561,798.00	$75,320.21	$137,514.12	$774,632.34	15%
Sullivan	Bluff City	50	1,822	0.03%	$561,798.00	$65,850.97	$120,225.88	$747,874.85	15%
Hardeman	Bolivar	20	5,205	0.08%	$561,798.00	$188,119.82	$549,528.61	$1,299,446.43	15%
Gibson	Bradford	30	1,001	0.01%	$561,798.00	$36,178.28	$92,472.31	$690,448.59	15%
Williamson	Brentwood	100	45,373	0.66%	$561,798.00	$1,639,877.15	$0.00	$2,201,675.15	35%
Tipton	Brighton	60	2,888	0.04%	$561,798.00	$104,378.49	$152,453.28	$818,629.77	25%
Sullivan	Bristol	40	27,147	0.39%	$561,798.00	$981,150.57	$2,149,575.38	$3,692,523.95	15%

- Cities and counties may find their designated funding allocation and required co-funding in the Appendix of the *Water Infrastructure Investment Plan* and the *Non-Competitive Grant Manual*
- A grant applicant may use up to **6%** of the funding allocation for reasonable and allocable administrative expenses

Co-Funding

- Co-funding ranges from **15-35%** depending on the city's or county's Ability to Pay Index

Ability to Pay Index (ATPI)		
0-50	60-70	80-100

	0-50	60-70	80-100
Co-Funding Required	15%	25%	35%

- Co-funding may be reduced by **5%** if the proposal is collaborative or if at least half of the proposal's budget is dedicated to activities that qualify as priority areas
- For collaborative proposals, the proposal is co-funded at the lowest level amongst the partners
- Co-funding may be cash or third-party in-kind contributions (local ARP funds, SRF loans, financial assistance grants and loans, cash reserves, revenue bonds, public-private partnerships or sponsors, engineering plans and specifications developed on or after March 3, 2021)
- Grant applicants may receive co-funding from an array of partners or financial supporters

Co-funding Total = Funding Allocation x % Co-funding Requirement

Grant Budget = Funding Allocation + Co-Funding

TN

Funding and Co-Funding: Example Scenario 1

- City of Pinson has a funding allocation of $8 million with a 35% co-funding requirement. City of Pinson is not submitting a collaborative proposal. City of Pinson is allocating at least 50% of its grant budget to priority areas of emphasis.

  - **State Funding Allocation (reimbursable):** $8 million
  - **Budget Allocated to Priority Areas of Emphasis:** $6.2 million
  - **Allowable Administrative Expenses:** $480,000 (6% of $8 million)
  - **Co-Funding Percentage:** 30% (5% reduction)
  - **Required Co-Funding:** $2,400,000
  - **Total Grant Budget:** $10,400,000 with up to $480,000 available for administrative expenses and the remainder available for drinking water, wastewater, and stormwater projects

Funding and Co-Funding: Example Scenario 2

- City of Bledsoe has a funding allocation of $750,000 with a 15% co-funding requirement. City of Bledsoe is not submitting a collaborative proposal. City of Bledsoe is not allocating at least 50% of its grant budget to priority areas of emphasis.

  - **State Funding Allocation (reimbursable):** $750,000
  - **Budget Allocated to Priority Areas of Emphasis:** $0
  - **Allowable Administrative Expenses:** $45,000 (6% of $750,000)
  - **Co-Funding Percentage:** 15% (no reduction)
  - **Required Co-Funding:** $112,500
  - **Total Grant Budget:** $862,500 with up to $45,000 available for administrative expenses and the remainder available for drinking water, wastewater, and stormwater projects

TN Department of Environment & Conservation

Additional Funding Considerations

Leveraging Other Grant or Loan Dollars

- In some instances, requirements of the companion grant or loan program would apply to the ARP project (e.g., Davis-Bacon and Buy American provisions)

Budget Adjustments

- Amendments will **not** be allowable given the federal deadlines
- If the grantee needs to adjust up to 20% of line-item expenses, funds may be redirected from one line item to another budgeted line item, as long as it is a no-cost modification
- If projects exceed the grant budget, grantees should pursue a SRF loan or other financial assistance to complete the scope of work

Procurement

- Must be consistent with state procurement standards and standards set forth in the Uniform Guidance (2 CFR Part 200)
- Must maintain documentation for the basis of each procurement for which a disbursement is made
- See U.S. Treasury's Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds

Eligible Activities

- Projects may address **drinking water**, **wastewater**, or **stormwater** improvements

- Must align with U.S. Treasury's Final Rule

  - Must align with Drinking Water and Clean Water State Revolving Fund project eligibility or expanded eligibility

    - Stormwater projects that propose the repair, replacement, or removal of culverts or other road-stream crossing infrastructure for the purpose of managing stormwater. Must be authorizable through a general Aquatic Resource Alteration Permit (ARAP)

    - Projects to address contamination issues in private, residential wells including rehabilitation of private wells, treatment activities, and remediation strategies

    - Projects to address lead service line issues, including corrosion control studies

  - Funds must be obligated by December 31, 2024 and fully spent by December 31, 2026. **All contracts will have an end date of September 30, 2026**

- Must meet minimum criteria as defined in the grant manual

- Up to 6% of the funding allocation may be used for pre-grant collaborative planning activities and administrative expenses

TN

# Priority Areas

Critical Need Priority Areas

- Addressing Significant Non-Compliance
- Asset Management Planning
- Water Loss Reductions
- Infiltration / Inflow Reductions
- Modernization of Facilities and Equipment

Additional Priority Areas

- Water Reuse
- Green Infrastructure and Stormwater Management
- Consolidation / Regionalization
- Managing Risk and Building Resilience
- Planning for Replacement of Lead Service Lines
- Enhancing Service to Small, Underserved, or Disadvantaged Communities

Critical Need Priority Areas are reflected through the Tennessee Infrastructure Scorecard.

TN

Eligible Grant Applicants

95
Counties

271
Cities
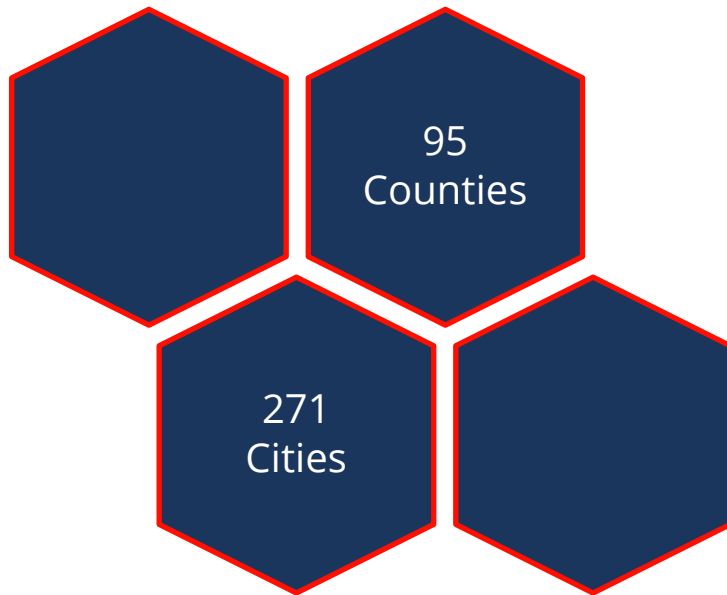
Grant applicants *must* be an eligible subrecipient with a funding allocation (see the Appendix of the *Water Infrastructure Investment Plan* and Non-Competitive Grant Manual).

Systems that are not eligible subrecipients may be included in a grant application but cannot be the grant applicant.

TN

Eligible Project Owners

- Project owners operate drinking water or wastewater systems or a permitted stormwater system

- All project owners must complete the Tennessee Infrastructure Scorecard and submit Scorecard summaries with proposals to be eligible to receive state ARP funds

- Project owners *may be* an eligible grant applicant but do not have to be an eligible grant applicant

TN

City of Burgess has a state funding allocation of $5 million with a co-funding level of 25%. City of Burgess operates a drinking water system and is serviced by a wastewater utility district.

City of Burgess is an eligible grant applicant. The utility district does not have a funding allocation and is not an eligible grant applicant.

Through the grant, City of Burgess can execute drinking water projects and wastewater projects on behalf of the utility district.

The utility district is a project owner and cannot apply as a grantee. However, the utility district may participate as a partner in a collaborative grant.

Grant Applicant: City of Burgess
Project Owners: City of Burgess and Utility District

Grant Applicant/Project Owner: Example Scenario 2

County of Pickwick has a state funding allocation of $9 million with a co-funding level of 15%. County of Pickwick does not operate drinking water or wastewater systems but does have a permitted stormwater system. County residents are served in part by a utility district that operates both drinking water and wastewater systems and in part by services provided by the City of Reelfoot.

The County of Pickwick may apply to TDEC with a grant application that includes utility district drinking water and wastewater projects, City of Reelfoot drinking water projects, and County of Pickwick stormwater projects. The total budget for all projects included is $10.35 million ($9 million reimbursable from the state funding allocation, $1.35 million submitted as co-funding that is not reimbursable).

Grant Applicant: County of Pickwick
Project Owners: County of Pickwick, Utility Districts, and City of Reelfoot

Grant Applicant/Project Owner: Example Scenario 3

County of Dunbar has a state funding allocation of $3 million with a co-funding level of 15%. County of Dunbar does not operate drinking water or wastewater systems and does not have a permitted stormwater system. County residents are served by 4 different utility districts across both wastewater and drinking water services.

The County of Dunbar may apply to TDEC with a grant application that includes projects from all 4 utility districts, across drinking water and wastewater. The total budget for all projects included is $3.45 million ($3 million reimbursable from the state funding allocation, $450,000 submitted as co-funding that is not reimbursable).

Grant Applicant: County of Dunbar
Project Owners: 4 Utility Districts

TN Department of
Environment &
Conservation

Collaborative Proposals

- Proposals are collaborative if more than one entity (water infrastructure system, city, or county) works together on a project or projects for a shared purpose
- TDEC recommends partners contribute **15%** to the project financially or through activities executed to qualify as a collaborative partner
  - Partners can contribute financially, with in-kind goods or services, or a mix of both
  - Operation and maintenance of a utility system does not qualify as in-kind services
- Collaborative proposals can have multiple partners and multiple projects, but only one designated grant applicant
- Every eligible grant applicant included in the collaborative proposal may also apply during the non-collaborative phase to access remaining funds
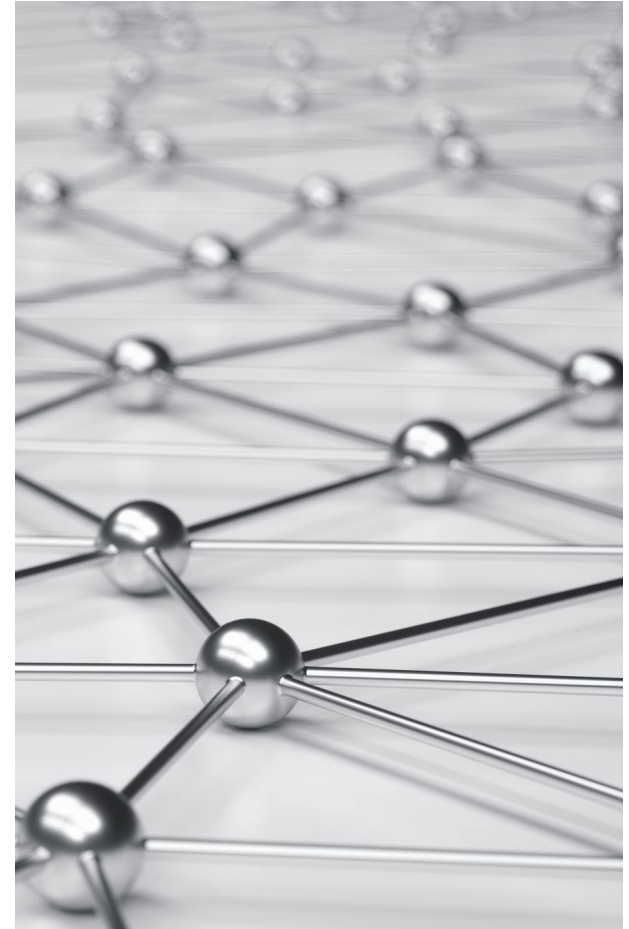
TN

Collaborative Proposals: Incentives

Co-Funding

- Proposals are co-funded at the *lowest* co-funding level of all the partners included
- Proposals receive an additional **5%** reduction in co-funding

Timing

- Proposals are eligible to submit in the first application solicitation (May – June 2022)

Project Award and Water Infrastructure System Types

- Project Award Types
  - Investigation and Planning
  - Investigation, Planning, and Design
  - Planning, Design and Construction
  - Construction Only
- Water Infrastructure System Types
  - Drinking Water
  - Wastewater
  - Stormwater
- Each grant proposal may include all 3 Water Infrastructure System Types
  - Each grant proposal may include multiple utilities (project owner or grantee owned) within each Water Infrastructure System Type
- Each utility (project owner or grantee owned) may select one Project Award Type per water infrastructure system type
- The Project Award Type describes the *maximum* extent of activities included for each water infrastructure system type

TN

Project Award and Water Infrastructure Types: Example Scenario 1

City of Horton submits the following projects in its grant application:

1. Development of a Water Loss Control Plan and replacement of leaking water lines (drinking water; planning, design and construction)
2. Development of an Asset Management Plan for its drinking water system (drinking water; investigation and planning)
3. Construction of new water lines (drinking water; construction)
4. Construction to rehabilitate a wastewater treatment plant (wastewater; construction)

	Investigation and Planning	Investigation, Planning, and Design	Planning, Design and Construction	Construction Only
Drinking Water			X	
Wastewater				X
Stormwater				

Project Award and Water Infrastructure Types: Example Scenario 2

City of Harpeth submits the following projects in its grant application:

1. Development of a stormwater management plan and storm sewer wide inventory and map (stormwater; investigation and planning)
2. Construction of stormwater culverts (stormwater; construction)
3. Development of plans for a regional wastewater authority (wastewater; investigation and planning)
4. Development of an I&I Reduction and Elimination Plan (wastewater; investigation and planning)
5. Design and construction of a new water tower (drinking water; planning, design, and construction)

	Investigation and Planning	Investigation, Planning, and Design	Planning, Design and Construction	Construction Only
Drinking Water			X	
Wastewater	X			
Stormwater			X	

Questions?

Tennessee Infrastructure Scorecard

- Assesses financial, managerial, operational, and environmental health of a system

- All water, wastewater, and stormwater systems need to complete the Scorecard

- Scorecard summaries for all systems included in the grant application must be submitted to TDEC with the grant proposal

- Five critical need areas reflected through the Scorecard

- Systems may seek assistance from TAUD to complete the Scorecard
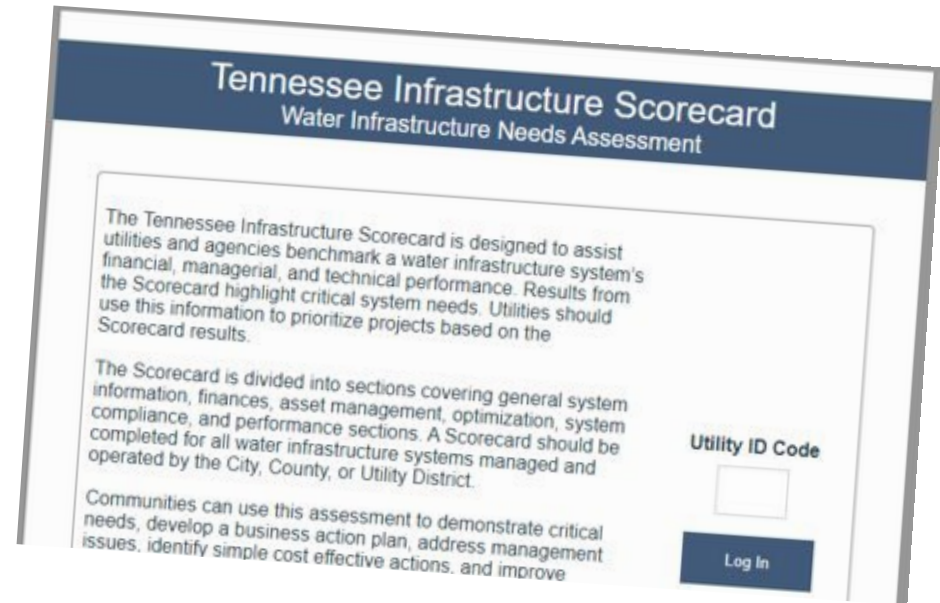
Identifying Critical Needs

ASSET MANAGEMENT		WATER LOSS		
Asset Mangement Plan	Yes	**Unaccounted Water Loss**		43%
GIS Mapping	0-25%	Millions of Gallons/year		153.32
Inventory and Condition Assessment	No	Production Cost/year		$157,919.60
Planned O&M and Work Order System	No			
Meter Testing & Changeouts	Yes			
Captital Improvement Plan & Budget	No			
IT Infrastructure	Yes			
MODERNIZATION				
Drinking Water Plant >80% Capacity			No	
Age of Drinking Water Plant	50+ years	Age of Drinking Water Lines, %	25-50%	
COMPLIANCE				
Drinking Water Violations			No	
State Mandated Compliance Order (Water)			No	
Meeting Order Requirements (Water)			N/A	

TN

Addressing Critical Needs

- **RED** areas on the Scorecard Summary indicate that the critical need area exceeds thresholds
- Only applies to systems included in the proposal for funding
  - Applicants may choose which systems to include, *other than those with significant non-compliance*
- Addressing critical needs in the proposal is required. Distribution of funds for critical needs projects and any other eligible projects is at the discretion of the Grant Applicant.
  - Grant contracts will specify meeting at least two critical need requirements per utility system party to the contract.
- Applicants may demonstrate they are addressing critical needs through non-ARP funded strategies within the timeframe established
- Critical Needs projects do not need to be completed before other projects
  - Applicants are responsible for establishing the project schedule for submission of required deliverables within the grant award

TN

Addressing Critical Needs

- TDEC requires addressing critical needs in the following order
  - If **one** critical need is identified it must be addressed
  - If **two** critical needs are identified they both must be addressed
  - If **three or more** critical needs are identified, **two** must be addressed
    - If one is **significant non-compliance**, that must be one of the two critical needs addressed
    - If one is **asset management**, that must be one of the two critical needs addressed
    - If neither significant non-compliance nor asset management are flagged, the project owner and grant applicant may choose which critical needs to address

Critical Needs Matrix: Drinking Water

Critical Needs	Investigation and Planning	Investigation, Planning, and Design	Planning, Design, and Construction	Construction Only
Significant Non-Compliance	Must establish a CAP/ER within 6 months of the grant award and/or meet the compliance schedule.	Must complete any documents(reports, manuals, and construction documents) as required in the Order or CAP/ER and/or must meet compliance schedule.	Must get approval of all required documents, including plans and specifications and a construction budget/schedule, that demonstrates all actions outlined in the Order or CAP/ER will be complete to the maximum extent possible within the grant timeline and compliance schedule.	Must get approval of all required documents, including plans and specifications and a construction budget/schedule, that demonstrates all actions outlined in the Order or CAP/ER will be complete to the maximum extent possible within the grant timeline and compliance schedule.
Asset Management	Must establish an Asset Management Plan by the end of the grant award.			
Water Loss	Must develop a Water Loss Control Plan.	Must develop a Water Loss Control Plan and plans and specifications.	Must develop a Water Loss Control Plan, plans and specifications, and dedicate at least 25% of the construction budget to water loss OR reduce water loss to below 40% by the end of the grant award.	Must dedicate at least 25% of the construction budget to water loss OR reduce water loss to below 40% by the end of the grant award.
Modernization	Must develop an Aging Infrastructure Replacement or Demand Reduction Plan.	Must develop an Aging Infrastructure Replacement or Demand Reduction Plan and plans and specifications.	Must develop an Aging Infrastructure Replacement or Demand Plan, plans and specifications, and dedicate at least 25% of the construction budget to asset replacement OR reduce plant demand to such a capacity that it doesn't meet or exceed 80% for 5 years.	Must dedicate at least 25% of the construction budget to asset replacement AND/OR reduce plant demand to such a capacity that it doesn't meet or exceed 80% for 5 years.

Critical Needs Matrix: Wastewater

Critical Needs	Investigation and Planning	Investigation, Planning, and Design	Planning, Design, and Construction	Construction Only
Significant Non-Compliance	Must establish a CAP/ER within 6 months of the grant award and/or meet the compliance schedule.	Must complete any documents (reports, manuals, and construction documents) as required in the Order or CAP/ER and/or must meet compliance schedule.	Must get approval of all required documents, including plans and specifications and a construction budget/schedule, that demonstrate all actions outlined in the Order or CAP/ER will be complete to the maximum extent possible within the grant timeline and compliance schedule.	Must get approval of all required documents, including plans and specifications and a construction budget/schedule, that demonstrates all actions outlined in the Order or CAP/ER will be complete to the maximum extent possible within the grant timeline and compliance schedule.
Asset Management	Must establish an Asset Management Plan by the end of the grant award.			
I & I	Must develop a I&I Reduction and Elimination Plan.	Must develop a I&I Reduction and Elimination Plan and plans and specifications.	Must develop a I&I Reduction and Elimination Plan, plans and specifications, and dedicate at least 25% of the construction budget to I&I OR reduce I&I to below 50% by the end of the grant award.	Must dedicate at least 25% of the construction budget to I&I OR reduce I&I to below 50% by the end of the grant award.
Modernization	Must develop an Aging Infrastructure Replacement or Demand Reduction Plan.	Must develop an Aging Infrastructure Replacement or Demand Reduction Plan and plans and specifications.	Must develop an Aging Infrastructure Replacement or Demand Plan, plans and specifications, and dedicate at least 25% of the construction budget to asset replacement OR reduce plant demand to such a capacity that it doesn't meet or exceed 80% for 5 years.	Must dedicate at least 25% of the construction budget to asset replacement AND/OR reduce plant demand to such a capacity that it doesn't meet or exceed 80% for 5 years.

Critical Needs Matrix: Stormwater

Critical Needs	Investigation and Planning	Investigation, Planning, and Design	Planning, Design, and Construction	Construction Only
Stormwater Control Measures	Must consider and evaluate using stormwater control measures (SCMs) that use infiltration, evaporation, and transpiration or biologically active filtration and comply with Rule 400-40-10 as an option in PER	Must consider and evaluate using SCMs that use infiltration, evaporation, and transpiration or biologically active filtration and comply with Rule 400-40-10 as an option in PER	Must use SCMs that use infiltration, evaporation, and transpiration or biologically active filtration and comply with Rule 400-40-10 or justify the absence of these SCMs	Must use SCMs that use infiltration, evaporation, or transpiration or biologically active filtration and comply with Rule 400-40-10 or justify the absence of these SCMs
Asset Management	Must have a stormwater management plan and a digital storm sewer wide inventory and map by the end of the grant award.			

Using the Critical Needs Matrices

Scorecard
1. Review the Scorecard summaries for all systems to include in the application
2. Identify Critical Needs flagged
3. Decide which Critical Needs to address through ARP projects (or demonstrate sufficiently addressing by September 30, 2026)
4. Identify the activities that each system will undertake

Matrices
5. Refer to the applicable Critical Needs Matrix (drinking water, wastewater, or stormwater) for each utility system included in the application
6. Find the appropriate Project Award Type that reflects the maximum activity proposed for the utility system.
7. Critical Need row highlights minimum required project deliverables based on project award type
8. Include the requirements in the grant application as ARP funded activities (or demonstrate sufficiently addressing by September 30, 2026)

TN

Critical Needs Matrix: Example Scenario 1

City of Sycamore operates drinking water and wastewater services. The City of Sycamore has completed the Infrastructure Scorecard and has the following Critical Needs flagged:

- Drinking Water
  - Water Loss
  - Asset Management Planning
  - Modernization
- Wastewater
  - Inflow & Infiltration
  - Asset Management Planning

The City plans to use ARP funds just on their drinking water system. They will be using funds for planning, design and construction.

City of Sycamore must address two of the three Critical Needs reflected through the Scorecard. One of those must be Asset Management Planning. The City of Sycamore chooses to also address modernization.

Critical Needs	Planning, Design, and Construction
Asset Management	Must establish an Asset Management Plan by the end of the grant award.
Modernization	Must develop an Aging Infrastructure Replacement or Demand Reduction Plan, plans and specifications, and dedicate at least 25% of the construction budget to asset replacement OR reduce plant demand to such a capacity that it doesn't meet or exceed 80% for 5 years.

City of Sycamore can address Asset Management, Modernization, and any other eligible project with their allocation concurrently as long as all required deliverables are met during the grant award period. Grantees may use non-grant dollars or other means to address critical needs.

TN Department of Environment & Conservation

Critical Needs Matrix: Example Scenario 2

County of Natchez does not operate drinking water or wastewater but does have 2 utility districts in their county that provide services. Both utility districts have completed the Scorecard and have the following Critical Needs identified:

Utility District 1
- Drinking Water
  - Asset Management Planning
  - Modernization
- Wastewater
  - Asset Management Planning
    - Lacks inventory and condition assessment of main collection lines

Utility District 2
- Drinking Water
  - Significant Non-Compliance
  - Asset Management Planning
    - Lacks digital maps and a capital improvement plan
  - Modernization
  - Water Loss
- Wastewater
  - Inflow & Infiltration
  - Asset Management Planning
  - Modernization

Critical Needs Matrix: Example Scenario 2

UD 1 is focusing just on wastewater projects. UD 1 proposes a sewer line extension and needs plans and specifications before going to construction. Project Award Type should be planning, design and construction. UD 1 will be improving existing AMP, developing plans and specs, and going to construction for their sewer line extension. These projects may occur concurrently.

UD 2 is required to include drinking water projects due to significant non-compliance. UD2 will execute construction activities outlined in their CAP/ER. This is Construction Only. UD2 also operates wastewater and proposes line investigation planning, and design for I/I reduction. UD 2 must address Significant Non-Compliance and Asset Management Planning for drinking water and Asset Management Planning for wastewater. These projects may occur concurrently.

Utility District 1

Critical Needs	Planning, Design, and Construction
Asset Management	Must establish an Asset Management Plan by the end of the grant award.

Utility District 2

Critical Needs	Construction Only
Significant Non-Compliance	Must get approval of all required documents, including plans and specifications and a construction budget/schedule, that demonstrates all actions outlined in the Order or CAP/ER will be complete to the maximum extent possible within the grant timeline and compliance schedule.
Asset Management	Must establish an Asset Management Plan by the end of the grant award.

Critical Needs	Investigation, Planning, and Design
Asset Management	Must establish an Asset Management Plan by the end of the grant award.
I & I	Must develop a I&I Reduction and Elimination Plan and plans and specifications.

TN Department of Environment & Conservation

County of Natchez: Projects to Proposals

- The county submits a collaborative grant proposal that includes UD 1 and UD 2 water infrastructure projects.
- Each utility system may select a Project Award Type per water infrastructure type they own or operate.
- The county has discretion on how project funds are distributed.
- The UDs are required to address Critical Needs and may use any remaining funds on eligible projects in the proposal.
- Grantees and project owners may use non-grant dollars or other means to address Critical Needs to demonstrate requirements are met by September 30, 2026.
- Projects may occur concurrently.
  - Applicants are responsible for establishing the project schedule and submission of required deliverables within the grant award

Critical Needs Matrix: Example Scenario 3

County of Frozen Head does not operate drinking water or wastewater but does have a permitted MS4 stormwater program. They will be funding a utility district in their county that provides both drinking water and wastewater services. County of Frozen Head also has stormwater projects to include in the grant application. The County of Frozen Head completed a Scorecard for their MS4 stormwater program, and the utility district completed a Scorecard for both their drinking water and wastewater systems. Each have the following Critical Needs identified:

County of Frozen Head
- Stormwater
  - Asset Management Planning

Utility District
- Drinking Water
  - No critical needs identified
- Wastewater
  - Modernization
  - Inflow & Infiltration

TN Department of
**Environment &
Conservation**

Critical Needs Matrix: Example Scenario 3

The Utility District has both drinking water and wastewater projects to include in the grant application. Drinking water projects include construction only and wastewater projects are planning, design, and construction. Projects may occur concurrently during the grant award period.

The County of Frozen Head's stormwater projects are construction only. Grantees may use non-grant dollars or other means to address critical needs. Projects may occur concurrently during the grant award period.

Utility District

Critical Needs	Planning, Design, and Construction
I & I	Must develop a I&I Reduction and Elimination Plan, plans and specifications, and dedicate at least 25% of the construction budget to I&I OR reduce I&I to below 50% by the end of the grant award.
Modernization	Must develop an Aging Infrastructure Replacement or Demand Plan, plans and specifications, and dedicate at least 25% of the construction budget to asset replacement OR reduce plant demand to such a capacity that it doesn't meet or exceed 80% for 5 years.

County of Frozen Head

Critical Needs	Construction Only
Storm Control Measures	Must use SCMs that use infiltration, evaporation, or transpiration or biologically active filtration and comply with Rule 400-40-10 or justify the absence of these SCMs
Asset Management	Must have a stormwater management plan and a digital storm sewer wide inventory and map by the end of the grant award.

Break

Grant Proposal Requirements

A. Designated grant applicant
   1. Identification of all water infrastructure systems within the grant applicant's jurisdiction or that serve citizens within the grant application's jurisdiction
   2. Identification of all partners party to the grant proposal, and
   3. Letters of support and commitment of funds from all entities identified in (2)
B. Brief narrative of the overall proposal, including:
   1. How the proposal addresses state goals and priorities (critical needs and additional priority areas)
   2. Project award type(s)
   3. Project name(s), and
   4. If the proposal is collaborative, a distribution of responsibilities for each subrecipient and project owner
C. Proposal timeline including the start and completion dates of all individual projects
D. Overall grant budget, including:
   1. Distribution of funds for each subrecipient and project owner, if collaborative
   2. Total administrative expenses, and
   3. Budget for each individual project
E. Co-funding requirements

TN

Technical Information

A. Project Information
   1. Description of each individual project
   2. Detailed individual project budget(s)
   3. Scorecard summary for each system
   4. Maps of project areas
   5. Detailed schedule for each individual project which must include "on or before" dates for all required deliverables
   6. List of required permits (as needed)
   7. Site certification or letter in lieu of for each individual project (as needed)

For a complete checklist of technical information required by project award type, see Appendix B of the Non-Competitive Grant Manual.

Grant Schedules
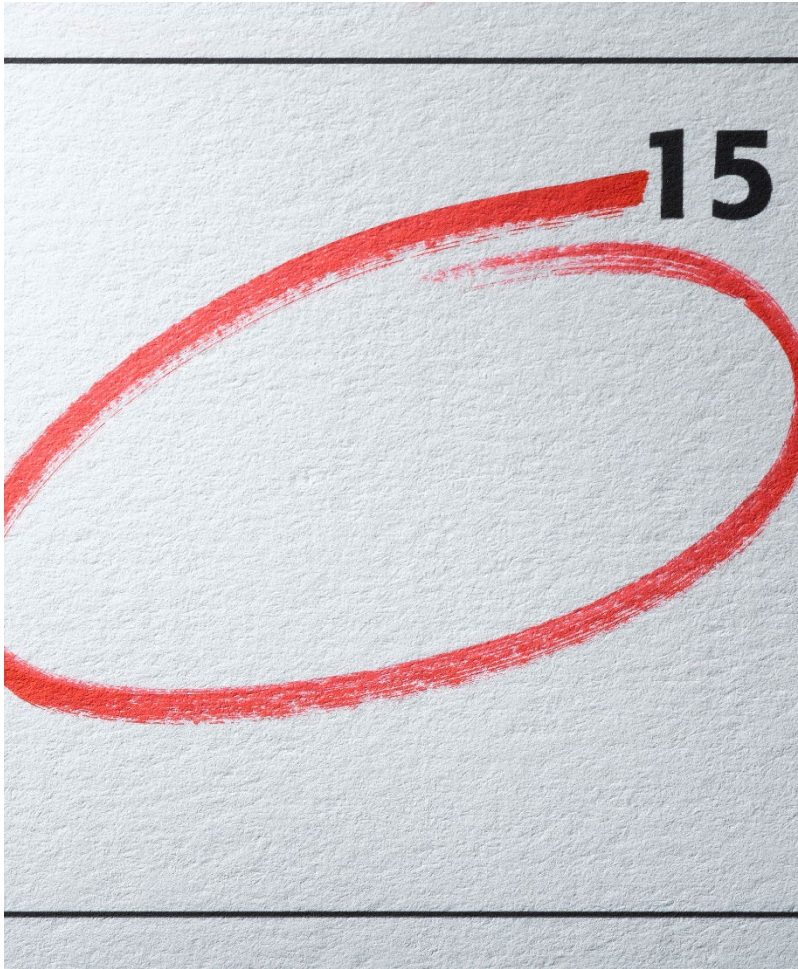
- *Proposal schedules* establish the grant contract term with start dates of March 3, 2021 and end dates of September 30, 2026
- *Individual project schedules* depend on the project itself
  - Should identify start date, major milestones toward project completion, and end dates based on the deliverables required
  - TDEC may amend upon written request and for good cause shown

Types of Projects

Standard Projects are those that are complex in nature and require a detailed technical review. Projects like regionalization, new or expanded treatment plants, decentralized stormwater management, or large-scale stream restoration projects are examples of standard projects needing additional technical review.

Streamlined Construction Projects are those projects that only address critical needs identified in the Scorecard summary. These actions are limited to activities that can be permitted through a general ARAP and Construction General Permit (CGP) or need no ARAP or CGP. These projects cannot require a modification to an existing national pollutant discharge and elimination system (NPDES), state operating permit, or water withdrawal ARAP.

TN

Construction Projects...

- **All construction projects must comply with and secure all relevant state and federal permits prior to project execution**

- If submitting a construction-only project, it should be ready to proceed upon submitting a grant application, including ready to apply for or having secured all applicable permits

- TDEC requires submitting an authority-to-award (ATA) bid package prior to commencing construction. Bid packages will be reviewed for compliance with the competitive procurement process, federal requirements, bid tabulations, and other common, relevant information

- All construction projects will be inspected at the start of construction, during construction, and at the completion of construction to ensure compliance and progression in a timely manner

- No projects may extend construction activity or incur any expenses for reimbursement past September 30, 2026

TN

Application Evaluation

- TDEC will do an **administrative** and **technical** review of applications
  - Project eligibility
  - How the proposal addresses Critical Needs
  - Co-funding requirements met, including incentives identified
  - Feasibility of project completion within the performance period
- TDEC may request additional information, discuss alternatives, or discuss leveraging other funding opportunities (e.g., SRF, BIL, CDBG)

As a non-competitive grant, there is no ranking or prioritizing of applications. TDEC should approve grant applications that align with and meet minimum criteria as described in the grant manual.

TN

Reimbursement

- TDEC will review reimbursement requests for **cost incurred**
- The maximum allowable reimbursement varies by project award type until deliverables are received and approved by TDEC

Disbursement Threshold Limitations

- Investigation and Planning
  - Maximum allowable reimbursement is 80% of the individual project budget until the PER(s) and asset management plan(s) is received and approved by TDEC.
- Investigation, Planning and Design
  - Maximum allowable reimbursement is:
    - 80% of the planning fees until the PER(s) is received and approved by TDEC.
    - 80% of the design fees until plans and specifications and asset management plan(s) are received and approved by TDEC.
- Planning, Design, and Construction or Construction only
  - Maximum allowable reimbursement is:
    - 80% of the design fees until plans and specifications are received and approved by TDEC.
    - 90% of the total project costs until an asset management plan(s) is received and approved and construction is complete, the site has been inspected by TDEC (or designated agent), the facilities are in proper operation, and the project has been approved by TDEC.

Federal Reporting, Monitoring, and Oversight Requirements

- All grant recipients are subject to federal reporting requirements found in 2 CFR Part 200 and the Compliance and Reporting Guidance issued by U.S. Treasury
- Grantees will report on project progress, deliverables, expenditures, and other reporting requirements as required on a quarterly basis
- Grant applicants may be subject to state and local audits
- Grant applicants are responsible for ensuring compliance with U.S. Treasury's Final Rule

Title VI Compliance

- Title VI of the Civil Rights Act of 1964 prohibits ***any recipient of Federal funding from discriminating on the basis of race, color, or national origin while providing services, benefits, or programs***
- All subrecipients and contractors are required to comply with Title VI
- Compliance is demonstrated through a Title VI pre-audit survey and post-award Title VI survey
- TDEC has publicly available resources to support Title VI compliance

TDEC Title VI Website: https://www.tn.gov/environment/program-areas/opsp-policy-and-sustainable-practices/opsp-title-vi-and-environmental-justice.html

TDEC Title VI Email: TDEC.TITLEVI@tn.gov

Certification

- The grant applicant shall certify that the applicant...
  - ➤ Understands Title VI compliance and has adopted and implemented or agreed to adopt and implement TDEC's compliance resources as its own
  - ➤ Understands that eligibility for funding is contingent upon its satisfaction of and adherence to the requirements of Title VI, as well as any contractor of subcontractor associated with the project as required by law
  - ➤ Has successfully submitted and received notification of completion for its annual Title VI compliance application
  - ➤ Will need to show evidence of completion of Title VI training when requested by TDEC
  - ➤ Has read and understands the reporting requirements and will comply with these requirements
  - ➤ Will procure all vendors in accordance with state public contracting laws
  - ➤ Is (along with the officers, directors, owners, partners, employees, or agents of the applicant organization) not presently debarred, suspended, proposed for debarment, or declared ineligible for an award by any State or Federal agency

TN

Break

GMS Overview

- TDEC's Grant Management System (SmartSimple)

GMS Account Creation and Login

- https://tdec.smartsimple.com/s_Login.jsp

* First Name

* Last Name

* Title

* Email

* Phone

Fax

* Mailing Address

TN

GMS Resource List

- <u>TDEC Grants</u>
- <u>TDEC Grant Management System</u>
- <u>About the Grant Management System</u>
  - How to Register Online
  - How to Affiliate with an Organization
  - How to Change Your Password
  - How to Create a Reimbursement
  - Activities
  - TDEC Grant Management System FAQs
- <u>Grant Management System Application Guide</u>
- <u>Grant Management System Grantee Guide</u>
- <u>Grant Management System Tutorial Video</u>

SWIG and SRF: Partnership Programs for Water Infrastructure Financing

- Overflow Stormwater Grants (OSG)
  - Annual and recurring
- Water Infrastructure Investments for the Nation (WIIN)
  - Annual and recurring
- Bipartisan Infrastructure Law (BIL/BID/IIJA)
  - Grants and loans with substantial loan forgiveness
- CWSRF Supplemental – 49% Grants or loan forgiveness
- CWSRF Emerging Contaminants – 100% Grants or loan forgiveness
- DWSRF Supplemental – 49% Grants or loan forgiveness
- DWSRF Emerging Contaminants – 100% Grants or loan forgiveness
- DWSRF Lead Service Line Replacement – 49% Grants or loan forgiveness

TN | Department of
Environment & Conservation

Questions?

Wrap Up

ARP Website and Email

- **Website:** https://tn.gov/environment/arp
  - Water Infrastructure Investment Plan
  - Non-Competitive Grant Manual
  - Resources
  - Email Listserv Sign-Up
- **Email:** TDEC.ARP@tn.gov
  - Any TDEC ARP Questions
  - Monitored Daily

Thank You!

Appendix

Technical Information: Investigation and Planning

A. How the project award type addresses state goals and priorities
    1. Scorecard summaries identifying Critical Needs
    2. Additional Priority Areas
B. Project Information
    1. Description of each individual project
    2. Detailed individual project budget(s)
    3. Scorecard summary of each system
    4. Maps of area of interest and location of activities
    5. Detailed schedule for individual projects which include "on or before" dates
        a. Engineering Agreement within 60 days of grant award
        b. Preliminary engineering report (or facilities plan)
        c. Verification of a comprehensive asset management plan
            i.   Capital Improvement Plan
        d. Final Scorecard Summary
        e. Critical Needs Matrix deliverables, as needed, based on Scorecard Summaries and Scorecard section requirements
            i.   CAP/ER
            ii.   Water Loss Control Plan
            iii. Inflow and Infiltration Reduction and Elimination Plan
            iv.   Infrastructure Replacement or Demand Reduction Plan
            v.   Stormwater Management Plan and a Digital Storm Sewer Wide Inventory and Map (if applicable to MS4)

TN

Technical Information: Investigation, Planning and Design

A. How the project award type addresses state goals and priorities
   1. Scorecard summaries identifying Critical Needs
   2. Additional Priority Areas
B. Project Information
   1. Description of each individual project
   2. Detailed individual project budget(s)
   3. Scorecard summary of each system
   4. Maps of area of interest and location of activities
   5. Detailed schedule for individual projects which include "on or before" dates
      a. Engineering Agreement within 60 days of grant award
      b. Preliminary engineering report (or facilities plan)
      c. Verification of a comprehensive asset management plan
         i. Capital Improvement Plan
      d. Final Scorecard Summary
      e. Critical Needs Matrix deliverables, as needed, based on Scorecard Summaries and Scorecard section requirements
         i. CAP/ER
         ii. Water Loss Control Plan
         iii. Inflow and Infiltration Reduction and Elimination Plan
         iv. Infrastructure Replacement or Demand Reduction Plan
         v. Stormwater Management Plan and a Digital Storm Sewer Wide Inventory and Map (if applicable to MS4)
      f. Plan of Operation(s) for every individual project where a new facility is planned, or expansion or upgrade of existing facility
      g. Engineering plans and specifications

TN

Technical Information: Planning, Design, and Construction

A. How the project award type addresses state goals and priorities
   1. Scorecard summaries identifying Critical Needs
   2. Additional Priority Areas
B. Project Information
   1. Description of each individual project
   2. Detailed individual project budget(s)
   3. Scorecard summary of each system
   4. Maps of area of interest and location of activities
   5. Detailed schedule for individual projects which include "on or before" dates
      a. Verification of a comprehensive asset management plan
         i. Capital Improvement Plan
      b. Final Scorecard Summary
      c. Critical Needs Matrix deliverables, as needed, based on Scorecard Summaries and Scorecard section requirements
         i. CAP/ER
         ii. Water Loss Control Plan
         iii. Inflow and Infiltration Reduction and Elimination Plan
         iv. Infrastructure Replacement or Demand Reduction Plan
         v. Stormwater Management Plan and a Digital Storm Sewer Wide Inventory and Map (if applicable to MS4)
      d. Preliminary engineering report (or facilities plan)
      e. Plan of Operation(s) for every individual project where a new facility is planned, or expansion or upgrade of existing facility
      f. Engineering plans and specifications
C. For individual projects going to construction
   1. Detailed schedule that includes "on or before" dates as applicable
      a. Projected start of construction
      b. Projected Initiation of Operations
      c. Operation and maintenance manual on or before date
      d. Complete construction
      e. List of required permits
      f. Site certification or letter in lieu of for each individual project

Technical Information: Construction Only

A. How the project award type addresses state goals and priorities
   1. Scorecard summaries identifying Critical Needs
   2. Additional Priority Areas
B. Project Information
   1. Description of each individual project
   2. Detailed individual project budget(s)
   3. Scorecard summary of each system
   4. Maps of area of interest and location of activities
   5. Preliminary engineering report(s) (or facilities plan)
   6. Engineering plans and specifications (Standard Projects only)
   7. Detailed schedule for individual projects which include "on or before" dates
      a. Verification of a comprehensive asset management plan
         i. Capital Improvement Plan
      b. Final Scorecard Summary
      c. Plan of Operation(s) for every individual project where a new facility is planned, or expansion or upgrade of existing facility (Standard Projects only)
      d. Projected start of construction
      e. Initiate operation on or before date
      f. Operation and maintenance manual on or before date (if applicable)
      g. Complete construction on or before date
      h. List of required permits (as needed) (Standard Projects only)
      i. Site certification or letter in lieu of for each individual project (as needed) (Standard Projects only)
C. Enforcement and Compliance CAP/ER and approved CAP/ER documents, including plans and specifications and a construction budget and schedule (if applicable)

TN