

Tennessee Deployment of American Rescue Plan Funding: Draft Water Infrastructure Investment Plan¹

October 11, 2021

I. EXECUTIVE SUMMARY

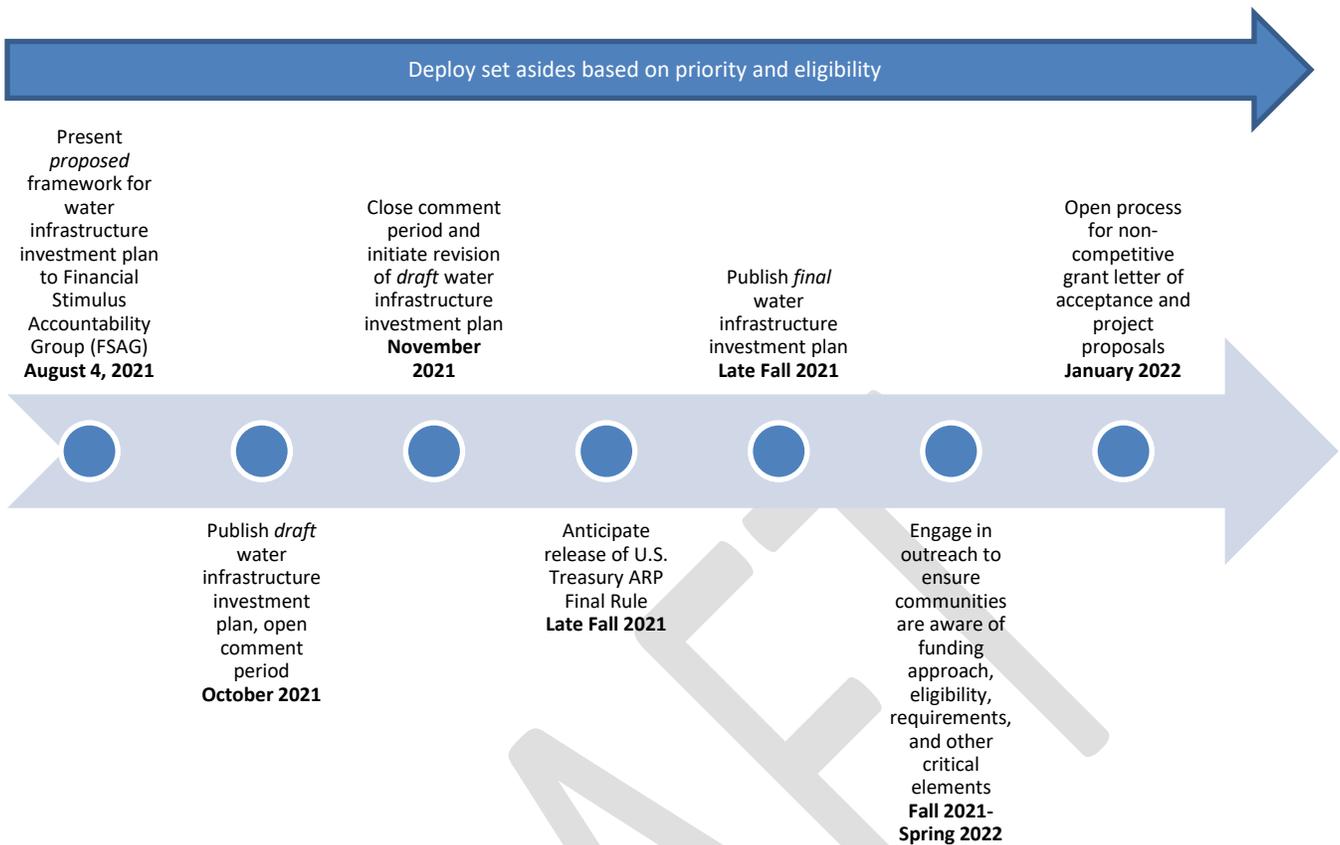
This *Draft Water Infrastructure Investment Plan* includes information regarding the Tennessee Department of Environment and Conservation's (TDEC) proposed deployment of American Rescue Plan (ARP) Fiscal Recovery Fund dollars towards water infrastructure projects. It opens with a background of the ARP and an overview of the current state of water infrastructure in Tennessee. Then, it outlines water infrastructure investment priorities in Tennessee and specific strategies for deploying these funds to achieve these priorities and describes planned activities for administration and communication, education, and outreach.

In short, TDEC proposes three primary strategies for disbursing ARP funds as part of its Water Infrastructure Investment Program: formula-based grants to communities; state-initiated strategic projects; and competitive grants to eligible sub-recipient stakeholders. Allocation amounts for each strategy are provided below with additional details on each strategy contained in sections of this plan.

Strategy	Allocation Amount
1. Formula-Based Non-Competitive Grants	\$1 billion
2. State-Initiated Strategic Projects	\$350 million
3. Competitive Grants	TBD based on funds remaining from Strategies 1 and 2

The plan also outlines a tentative timeline for deployment of these funds during the first year of the program, with an emphasis on the non-competitive grant program. A brief overview of this year 1 timeline follows.

¹ Throughout this document the phrases "water infrastructure" and "drinking water, wastewater, and stormwater infrastructure" are used interchangeably.



TDEC is seeking public comment on this Draft Water Infrastructure Investment Plan. Further, TDEC is specifically requesting input in the following areas, each discussed in greater detail in sections of the plan.

- *What types of systems that align with Treasury ARP rules warrant inclusion in this plan?*
- *Are counties well equipped to serve as the primary sub-recipient of these funds, acting as a pass-through entity to municipalities and/or water systems included a county?*
- *What alternative approaches to distribution of funds will balance state and local government and other sub-recipient administrative and compliance burden?*
- *What allocation approach makes sense and what specific suggestions for alternative arrangements are feasible?*
- *What sources of funds, such as federal, state, or local funds, and what type of co-funding, such as direct, indirect, or in-kind, should be accepted?*
- *How, through this Water Infrastructure Investment Program, can TDEC further support sub-recipients in engaging in planning and identification of projects for inclusion in proposals?*
- *What additional actions can TDEC take to more fully inform interested stakeholders on its plans for deploying these funds and the non-competitive grant program in particular?*
- *What current water infrastructure data and information challenges exist today, and how could a state-led project could alleviate those challenges?*
- *What project types and sub-recipients should be emphasized through a competitive granting program?*

TDEC will be accepting written comments on this *Draft Water Infrastructure Investment Plan* through Friday, October 29, 2021. Written comments may be delivered electronically (preferred) to TDEC.ARP@tn.gov or mailed to the department at

RE: Draft Water Infrastructure Investment Plan Comments
Tennessee Department of Environment and Conservation
William R. Snodgrass Tennessee Tower, 2nd Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243

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II. AMERICAN RESCUE PLAN BACKGROUND

In March of 2021, Congress passed the ARP Act. This Act provided \$1.9 trillion in COVID-19 relief for state and local governments, hard-hit industries, and communities; tax changes affecting individuals and business; and other provisions. A summary of ARP funding receiving by local and state governments in Tennessee is provided in Figure 1.

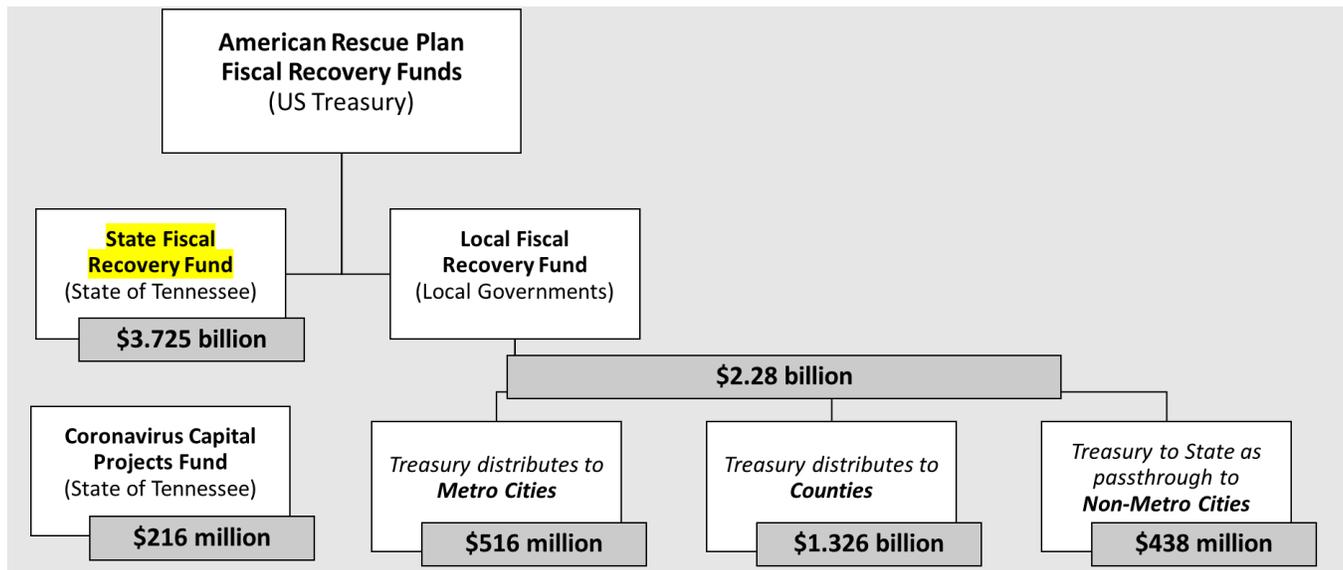


Figure 1. Summary of ARP State and Local Funding for Tennessee

In addition to \$2.28 billion in funding provided directly from the U.S. Department of Treasury to communities through the Local Fiscal Recovery Fund, the State of Tennessee will receive \$3.725 billion in funding as part of the Coronavirus State Fiscal Recovery Fund. Current eligibility for projects funded by ARP dollars is described in the U.S. Department of the Treasury's [Interim Final Rule](#).² Funds must be obligated by December 31, 2024 and expended by December 31, 2026.

One way that ARP dollars available to state and local governments can be used is for "necessary investments in water, sewer, or broadband infrastructure." For water infrastructure projects in particular, eligible expenditures are those that align with [Clean Water State Revolving Fund](#) (CWSRF) and [Drinking Water State Revolving Fund](#) (DWSRF) eligibility. Common examples of allowable planning, design, and construction expenditures include: comprehensive asset management, line replacement, plant/facility upgrades, regionalization and consolidation, stormwater management, water conservation and energy efficiency, water storage, and workforce training.

² Visit the U.S. Department of Treasury's website, "[Coronavirus State and Local Fiscal Recovery Funds](#)" for more details. A final rule is anticipated in Late Fall 2021.

In August 2021, Tennessee's Financial Stimulus Accountability Group ([FSAG](#)) dedicated \$1.35 billion of Tennessee's State Fiscal Recovery Funds to water, wastewater, and stormwater infrastructure projects and charged TDEC with administering programs to deploy these dollars.

This *Draft Water Infrastructure Investment Plan* describes one of several mechanisms the State of Tennessee will deploy to administer State Fiscal Recovery Funds received directly from Treasury.³ This plan does not refer to local government administration of ARP dollars except where explicitly noted.

This plan outlines an approach for investing those funds in a responsible, strategic, and equitable manner that will result in improved water infrastructure and services in communities across the state. This plan was developed by TDEC based on input provided by leaders and subject matter experts from the Tennessee Departments of Economic and Community Development (ECD) and General Services (DGS) and the Tennessee Comptroller of the Treasury, in consultation with the Governor's Office and numerous external partners and stakeholders.

³ Visit the State of Tennessee's "[Local Government Financial Support](#)" and "[Financial Stimulus Accountability Group](#)" websites for additional details on other available programs.

III. CURRENT STATE OF WATER INFRASTRUCTURE IN TENNESSEE

Tennessee's communities and economy rely on access to clean, reliable, and abundant water resources. Water makes Tennessee thrive and supports many significant activities, such as:

- Drinking water, sewer, and stormwater services for residents and businesses,
- Agriculture,
- Major industrial operations,
- Transportation of goods on navigable waters, and
- Recreational activities on lakes, rivers, and streams.

The critical role of water infrastructure is often overlooked by many until there is a crisis, such as a water shortage or public health concern. However, the businesses that drive Tennessee's economy understand the important role of water infrastructure. Quality water resource infrastructure support a business's operations and vibrant workforce.

Tennessee's water infrastructure needs are significant. Current requests for financial assistance through TDEC's [Drinking Water and Clean Water State Revolving Loan Funds](#) (CWSRF and DWSRF) and ECD's Community Development Block Grants and Infrastructure Planning Grants exceed \$489 million. Funding available through existing tools is insufficient to meet these requests. These current requests represent just a fraction of the full scope of the challenge Tennessee faces in addressing water infrastructure needs.

Reports produced by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), the U.S. Environmental Protection Agency (EPA), and the multidisciplinary TN H₂O Plan cite necessary investment in Tennessee water infrastructure ranging from \$5 to 15 billion between now and 2040. This massive level of investment is critical to reliably supply our state with water resources amidst rapid economic and population growth.

Tennessee, like many states across the county, faces water infrastructure challenges, including but not limited to:

- Aging water distribution and collection lines prone to (costly) leaks,
- Outdated treatment facilities at or near capacity, and
- Limited financial resources for necessary maintenance, upkeep, and expansions.

The State of Tennessee's investment of \$1.35 billion of ARP funding is a significant opportunity to ensure reliable and safe water resource infrastructure for generations to come.

IV. STATE OF TENNESSEE WATER INFRASTRUCTURE INVESTMENT PLAN PRIORITIES

TDEC is taking a strategic, thoughtful, and responsible approach to investing in the state's water infrastructure, drawing upon a history of strong partnerships between TDEC, ECD, U.S. Department of Agriculture – Rural Development, the Comptroller's Office, local governments, and utilities and water systems. We have been working together to provide financial and technical support to Tennessee communities for many years and this collaborative work has been foundational in TDEC's approach to investing ARP funds in water infrastructure.

The State of Tennessee and TDEC are choosing to select and support projects that achieve multiple federal, state and local agency priorities and that will set Tennessee communities up for long-term success from a financial, operational, environmental, and economic development perspective. Priorities were selected by TDEC and our partner agencies by identifying the most common and chronic issues utility systems face across the state.

TDEC acknowledges that water infrastructure projects and related activities support multiple priority areas. Additional details on how the *Water Infrastructure Investment Plan* will further these priority areas are provided in subsequent sections. Specifically, we will discuss how project and county proposals must address these priorities as well as how TDEC will consider these priority areas in the evaluation process.

Achieving Compliance with Local, State, and Federal Drinking Water, Wastewater, and Stormwater Water Quality Requirements

Drinking water quality requirements are designed to protect public health by regulating levels of contaminants found in water. Achieving compliance with drinking water quality requirements ensures that a community's drinking water is safe for consumption and does not contain contaminants or other pollutants at levels that pose a risk to human health. Wastewater quality requirements establish standards for wastewater discharged to sewage treatment plants and eventually surface waters. Stormwater quality requirements regulate runoff generated from rain or snowmelt events that flow over land or impervious surfaces and is not absorbed into the ground.

Achieving compliance with water quality regulations provides a host of community benefits. Drinking water quality requirements decrease the chances of serious health risks or adverse health effects associated with contaminants in drinking water. Compliance with drinking water quality requirements can also improve the taste, odor, or aesthetic qualities of drinking water. Drinking water regulations designed to protect public health and safety also reduce corrosion of water pipes and equipment, resulting in fewer pipe breakages and lower infrastructure maintenance costs. Wastewater and stormwater water quality regulations protect a community's lakes, rivers, streams, and wetlands from contamination, and ensure the water is safe for recreation, wildlife, agriculture, and industrial uses.

Water Loss Reductions for Drinking Water Systems

Tennessee's drinking water infrastructure has served the citizens of the state for decades. As this infrastructure ages, it deteriorates and becomes a significant source of water loss and leaks through transmission and distribution mains, storage tanks, and service connections before water is delivered to the customer. These losses require a system to pump and treat more water to meet customer demand, and in turn use more raw water, energy and chemicals which represent significant costs to a water system. A water system can improve operational revenue and efficiency while potentially reducing the need for costly upgrades and expansion by repairing leaking infrastructure and replacing outdated components. Further, reducing water loss means that a utility pulls a smaller volume of raw water from surface streams, which positively impacts the quality of that stream.

Infiltration / Inflow Reductions for Wastewater Systems

Infiltration and inflow (I&I) occur when excessive groundwater or stormwater enters aging or failing wastewater collection systems. Stormwater entering the collection system through sources like manhole covers, improperly connected sump pumps, and roof downspouts is called inflow. The amount of inflow peaks during and immediately after rainfall events and can result in sanitary sewer overflows and basement backups. Groundwater that seeps into the collection system through cracked sewer pipes or deteriorating joints is called infiltration. In areas with high groundwater, or when wet weather temporarily raises groundwater levels, infiltration increases the base flow of the failing collection system. Excessive inflow and infiltration come at a cost to the system. Reducing inflow and infiltration can restore sanitary sewer system capacity, improve system operations, and reduce chronic maintenance issues, making systems more sustainable. Reducing Infiltration and inflow also benefit the community by reducing the risk of contamination from sewer system overflows, clean-up related expenses, and environmental hazards making systems more resilient, all while minimizing the cost of pumping and treating otherwise clean water.

Asset Management Planning for Sustainable Drinking Water, Wastewater, and Stormwater Systems

Asset management is the practice of managing infrastructure capital assets to minimize the total cost of owning and operating these assets, maintain the desired level of service to citizens, and plan for the future. It is a planning process that utilities use to manage maintenance, repairs, and upgrades while providing quality service to its customers and anticipating future infrastructure needs. A well-performing asset management program includes detailed asset inventories, an operation and maintenance system, communication with its customers, and long-range financial planning. These plans provide utility managers and local leaders with critical information, allowing clear decisions on timing of investments, how to maximize the value of infrastructure, as well as efficient management of dollars in the immediate and longer-term future. These plans improve the

financial sustainability of a system, resulting in a more stable utility able to benefit from financing programs that require minimum financial stability standards while balancing the cost of services to customers.

Modernization and / or Optimization of Facilities, Equipment, and Operations for Drinking Water and Wastewater Systems

Modernization of a water system involves modifying and updating aging water infrastructure. Modernization can involve physical infrastructure (i.e., replacing pumps, pipelines, storage tanks) as well as technological improvements (i.e., upgrading manual or obsolete control systems, system automation and telemetry). As much of the U.S.'s built water infrastructure nears the end of its lifespan, modernizing water system pumping and pipeline transport operations can reduce water loss and lower system-wide energy consumption, thus improving a system's sustainability while also reducing operating costs.

Optimization refers to a variety of design and operational improvements water systems can implement to increase efficiency relating to energy use and treatment. Optimization can include infrastructure enhancements such as replacing inefficient water supply and distribution system components to improve water pressure, as well as process improvements like enhanced monitoring and data analysis of system performance, or simple treatment system operational modifications, such as alternating and timed operation of rotors, structural modifications of unit operations, and manual adjustment of aerators. By increasing efficiency in energy use and treatment, optimization can reduce a system's energy requirements and provide significant energy cost savings while also reducing direct water use. Optimization of wastewater plants reduce nutrients in effluent to better meet regulatory requirements. For wastewater plants in particular, energy efficiency and nutrient removal optimization are often co-benefits of one another. For drinking water plants, energy efficiency, reduced chemical costs and increased water quality are realized benefits of optimization.

Water Reuse

Water reuse generally refers to the practice of capturing water that would otherwise be discarded (such as treated wastewater or stormwater), treating it to a level appropriate for intended use, and reusing it for beneficial purposes. Many systems use a "fit for purpose" approach, which treats water to the level suitable for its intended end purpose. Water reuse activities broadly fall into two categories: non-potable, or not intended for human consumption, and potable, or intended for human consumption (drinking water). This "fit for purpose" approach can provide positive impacts at the water body, water system, or community level. Water bodies may be positively impacted by reducing nutrient discharge to surface waters. Water systems may achieve a more resilient, sustainable, and secure water supply by reusing water, especially in areas of large population growth or that are susceptible to water supply concerns. Communities may benefit by receiving more reliable service from enhanced water system resiliency. Water reuse can be a superior

strategy for returning treated wastewater to receiving waters directly or via land application. This allows water destined for irrigating parks or other green spaces to be treated differently than water planned for potable purposes. Water reuse end uses can range from agriculture and irrigation to supporting industrial processes and aiding environmental restoration.

Replacement of Lead Service Lines for Drinking Water Systems

Lead-containing water service lines that connect the water main to a building are referred to as lead service lines (LSLs). The US Environmental Protection Agency estimates that there are between 6 and 10 million LSLs in the country, many of which are concentrated in systems with older infrastructure or that connect to houses with lead pipes or fixtures. When LSLs corrode, lead can enter drinking water and pose serious health risks, particularly for children. Health risks of lead exposure include nervous system damage, cardiovascular impairments, decreased kidney function, and reproductive problems. Replacing LSLs is a priority at the national and state level due to the severity of lead exposure on health outcomes.

Green Infrastructure Best Management Practices / Managing Stormwater

Green infrastructure mimics nature's ability to absorb and mitigate stormwater at the source. Excessive stormwater can degrade water quality and promote localized and nuisance flooding. Using green infrastructure like rain gardens, expansion of green space, use of permeable materials, bioswales, and rainwater harvesting can help avoid stormwater problems including flooding, erosion, and non-point source pollution to nearby surface waters. Many communities manage stormwater through programs and utilities similar to water and wastewater. Stormwater programs use green infrastructure as a water quality tool that also enhances recreation, recharges groundwater, and creates aesthetic spaces. Improved stormwater management helps reduce impacts to our water and wastewater systems and improves water quality in our rivers, lakes, streams, and wetlands.

Consolidation / Regionalization for Drinking Water and Wastewater Systems

Consolidation and regionalization refer to water and wastewater systems efforts to provide cooperative support across systems. Examples of consolidation or regionalization efforts include contractual assistance (i.e., support for a system as agreed upon under contract), a joint power agency effort (i.e., creating a new regionalized entity to serve multiple systems), and ownership transfer (i.e., one system cedes control to another system). Systems may realize many benefits from regionalization or consolidation efforts, including enhancing system capacity, reducing costs, or obtaining a higher quality or quantity of source water. TDEC recognizes the many benefits that water and wastewater systems may achieve from regionalization or consolidation efforts and encourages systems to seek opportunities to collaborate if feasible and sufficient benefits are realized.

Managing Risk / Building Resilience to Extreme Weather Events, Cybersecurity, or Other Hazards for Drinking Water and Wastewater Systems

Water and wastewater systems face many risks, including but not limited to natural disasters, security, and cybersecurity. To maintain effective and reliable service, it is important for water and wastewater systems to properly prepare for and build resilience to risks. Without this proper preparation, water and wastewater systems are vulnerable to events that may lead to serious health, safety, environmental, social, or economic consequences. Activities that support enhanced resilience and preparation include but are not limited to risk assessments, emergency planning, modernizing equipment or infrastructure, weatherizing facilities and assets, and engaging cooperatively with neighboring systems.

Enhancing Service to Small, Underserved, or Disadvantaged Communities for Drinking Water and Wastewater Systems

Water and wastewater infrastructure is fundamental for thriving communities. Underserved, small and disadvantaged communities may lack adequate resources to sustainably finance and operate water infrastructure capable of serving the community and economic development while balancing compliance with local, state, and federal water quality requirements. TDEC recognizes this funding can support drinking water and wastewater services to households that currently lack access and help systems reduce or eliminate recurring water quality compliance issues in a more equitable manner. For the purposes of this Water Infrastructure Investment Plan and associated programs, TDEC is aligning its definitions with those used by the Water Infrastructure Improvements for the Nation Act – Small, Underserved, and Disadvantaged Communities Grant Program. These definitions are⁴:

- A *disadvantaged community* is one determined by the state to be disadvantaged under the affordability criteria established by the State under section 1452(d)(3) of the Safe Drinking Water Act, or one that may become a disadvantaged community as a result of carrying out a project or activity. TDEC’s State Revolving Fund loan program uses an [Ability To Pay Index](#) to establish the financial health of a community. An index score of 50 or less qualifies a community as disadvantaged.
- A *small community* is one with a population of less than 10,000 individuals and lacking the capacity to incur debt sufficient to finance a project to comply with the Safe Drinking Water Act.
- An *underserved community* is defined as a political subdivision of a State that either:
 - Does not have household drinking water or wastewater services; or
 - Is served by a public water system that violates, or exceeds, as applicable, a requirement of a national primary drinking water regulation, including
 - a maximum contaminant level;

⁴ See definitions at [WIIN Grant: Small, Underserved, and Disadvantaged Communities Grant Program](#).

- a treatment technique; and
- an action level.

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V. OVERVIEW OF FUNDING APPROACH

TDEC proposes three primary strategies for disbursing Water Infrastructure Investment Program funds: formula-based grants to communities; state-initiated strategic projects; and competitive grants to eligible sub-recipient stakeholders. Allocation amounts for each strategy are provided in Figure 2.

Strategy	Allocation Amount
1. Formula-Based Non-Competitive Grants	\$1 billion
2. State-Initiated Strategic Projects	\$350 million
3. Competitive Grants	TBD based on funds remaining from Strategies 1 and 2

Figure 2. Funding Allocations to Disbursement Strategies

The priorities highlighted in the previous section will be infused throughout the design and execution of each of these strategies. Generally, deployment of formula-based grants and certain state-initiated strategic projects will be prioritized in early years of programming, with other state-initiated strategic projects and competitive grants executed in later years of programming. An overview of the anticipated timeline for year 1 activities is provided in Figure 3, with additional details for years 2-6 covered in Attachment A. Additional details regarding anticipated timelines are discussed in later sections.

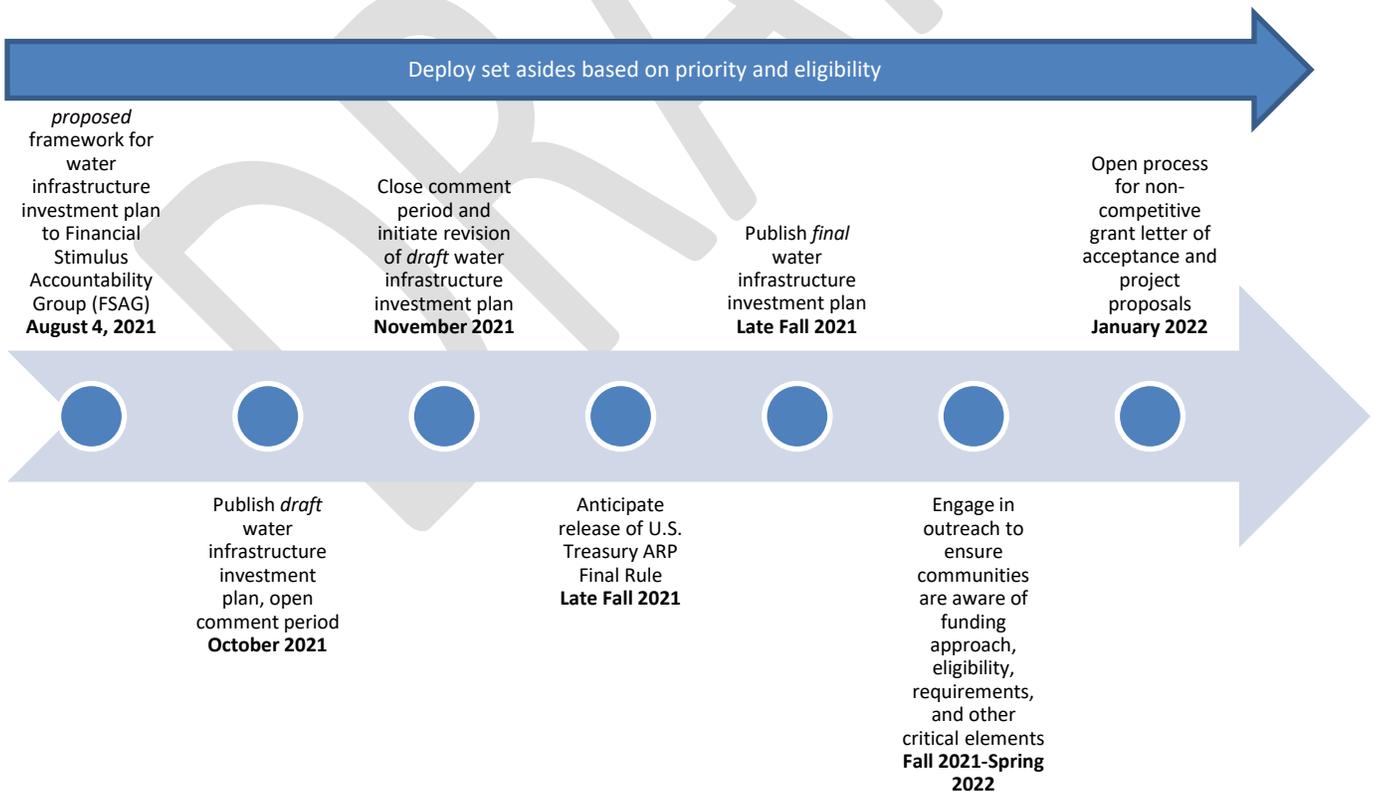


Figure 3. Water Infrastructure Investment Plan Activities, Year 1

VI. ADMINISTRATION OF FUNDS

Treasury has indicated that ARP dollars can be used to fund activities that support administration of an ARP program. As a result, TDEC anticipates spending no more than 10 percent of total Water Infrastructure Investment Program monies on administrative expenditures. TDEC will operationalize the Water Infrastructure Investment Program and associated activities using a combination of in-house and contracted labor. In determining when in-house or out-of-house resources are best suited to execute an activity, TDEC will consider factors such as:

- Legal authority to outsource an activity
- Conflicts of interest that may arise in outsourcing an activity
- Availability of internal subject matter expertise necessary to execute activities and capacity to take on activities
- Anticipated duration of activities to be performed, and likelihood for activities to serve as professional development/on the job training activities for in-house staff
- Availability of external talent with relevant subject matter expertise and capable of performing a scope of work at a competitive price
- Timelines and approvals associated with outsourcing and activity and how that affects funds deployment

Updates on operational plans will be regularly provided to the Water Infrastructure Advisory Committee (WIAC), which is detailed in the next section, with relevant overview materials placed on TDEC's ARP Water Infrastructure Investment Plan website.

Water Infrastructure Advisory Committee

Several entities within state government currently have responsibilities in statute and rule relating to water, wastewater, and stormwater infrastructure, including but not limited to TDEC, ECD, and the Comptroller of the Treasury. Further, a variety of stakeholders both internal and external to state government, including communities and organizations representing their interests, have a vested interest in ensuring strategic use of this funding to improve Tennessee's water infrastructure. Given the volume of funding that the State of Tennessee will be receiving and distributing, TDEC has formed a multidisciplinary advisory group, a Water Infrastructure Advisory Committee (WIAC), to support: identification of water infrastructure priorities to advance with this funding, identification of projects and activities well suited for these funds, ensuring responsible, transparent, and compliant administration of these funds, and tracking progress, outputs and outcomes associated with projects and activities. The WIAC is chaired and convened by TDEC and reports out to the FSAG. TDEC has developed a presence for the WIAC on its website and will publish relevant materials, such as meeting agendas, slide decks, and report outs, for reference by the public. This website and other communication, education, and outreach approaches are discussed in subsequent sections.

Membership

The WIAC includes representation of a wide variety of interests germane to water, wastewater, and stormwater infrastructure, as described here. Individuals appointed to the committee may represent multiple interest areas listed below.

1. Tennessee Department of Environment & Conservation (Chair)
2. Tennessee Department of Economic & Community Development
3. Office of the Governor
4. Tennessee Department of Finance & Administration
5. Tennessee Comptroller of the Treasury
6. Tennessee General Assembly
7. Local Government – Counties, Municipalities, and Non-Entitlement Units
8. Utilities & Water Systems – Large and Small, Drinking Water, Wastewater, and Stormwater
9. Civil & Environmental Engineering Interests
10. Development Districts
11. Academia
12. Environmental Interests
13. Environmental Justice Interests
14. Contractor and/or Building Supply Interests

Goals, Objectives, & Expectations

The WIAC is engaging or will engage in several activities relating to the *Water Infrastructure Investment Plan*, including but not limited to:

- Advising and guiding the prioritization of programs, projects and activities (a) supporting enhanced water infrastructure, (b) meeting ARP eligibility requirements, and (c) supporting achievement of other objectives as defined by the Governor's Office and Tennessee State Government agencies;
- Supporting the implementation of water infrastructure programs, projects, and activities awarded ARP funds;
- Supporting the disbursement of funds associated with water infrastructure programs, projects, and activities;
- Supporting the strategic coordination of state- and local-government-allocated ARP funds;
- Supporting timely communication of information relating to Tennessee's planned use of ARP funds to interested stakeholders and the public by reviewing TDEC work product prior to release, and sharing information with their respective stakeholder groups;
- Providing transparency and accountability regarding Tennessee State Government's use of ARP funds for water, wastewater, and stormwater infrastructure enhancements;

- Supporting Tennessee State Government and sub-recipient compliance with ARP regulatory requirements and reporting obligations; and
- Engaging in other activities supporting use of ARP funds in Tennessee as requested by the Governor's Office and Tennessee State Government agencies.

More specifically, WIAC members are expected to support TDEC's administration of funding by:

- Attending and participating in regularly scheduled meetings, which are anticipated to occur at least twice annually, but more frequently if needed, from September 2021 to December 2026.
- Respectfully representing interests and concerns of the organization/peer group that the member is representing as it relates to water, wastewater, and stormwater infrastructure in Tennessee.
- Participating in TDEC report outs to the advisory committee on approved projects for ARP funds.
- Reviewing any materials provided to the advisory committee and provision of input as requested.
- Identifying additional information, research, or expertise as needed.

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VII. DISBURSEMENT OF FUNDS: FORMULA-BASED NON-COMPETITIVE GRANTS

TDEC will award approximately \$1 billion in the form of non-competitive grants to communities for eligible water, wastewater, and stormwater infrastructure projects as part of the Water Infrastructure Investment Program.

With these non-competitive grants, TDEC is targeting enhancements among community public drinking water systems, wastewater systems with a component of municipal or domestic wastewater (e.g., wastewater treatment plants, collection systems, and decentralized treatment systems), and stormwater management systems serving the public. TDEC is not targeting systems operating for the primary purpose of supporting commercial/industrial operations with this offering. *TDEC welcomes comments on other types of systems that align with Treasury ARP rules and warrant inclusion.*

TDEC will use a non-competitive and formula-based approach to identify allocations and will offer funds directly to county governments for projects at the county, municipal, or system level depending on the specific structure of utility providers in the county. TDEC recognizes that water, wastewater, and stormwater infrastructure needs vary across communities. By offering funds to county governments, TDEC intends to support empowering communities to comprehensively consider needs and priorities in building a proposal to utilize funds.

As a non-competitive granting program, application is by invitation only. As proposed, TDEC will provide county governments the opportunity to accept their grant allocation, with the expectation that counties will coordinate with local parties to identify required co-funding and will coordinate with water and wastewater utilities and stormwater systems serving customers in their county to identify potential projects for proposed use of funding. Forthcoming guidance documents produced by TDEC will outline a proposed approach for collaborative project identification and prioritization by counties, municipalities, and water systems serving the county. More details regarding requirements associated with this funding are provided in subsequent sections.

TDEC is seeking input from the public on whether counties are well equipped to serve as the primary sub-recipient of these funds, acting as a pass-through entity to municipalities and/or water systems included in a respective county's proposal. Similarly, TDEC welcomes suggestions on alternative approaches to distribution of funds to counties that balance state and local government and other sub-recipient administrative and compliance burden. TDEC notes that other current financial assistance programs, such as Community Development Block Grants, operate in a similar fashion, granting funds to local governments who then work directly with water systems to execute water infrastructure projects.⁵

⁵ While structured similarly, programs such as Community Development Block Grants come with additional reporting, compliance, and other requirements, such as Buy American Iron and Steel or robust environmental review protocols that will not apply to these funds.

TDEC also notes that counties, metropolitan areas, and non-entitlement units who choose to accept funding directly from Treasury will have administrative and compliance responsibilities associated with those funds.

Any declined and remaining monies from county non-competitive grant allocations will be re-programmed to support innovative water infrastructure projects through state strategic priorities and/or a competitive granting program later as discussed in subsequent sections. TDEC and its partners strongly encourage counties and water and wastewater utilities and stormwater systems to take advantage of this significant opportunity.

Allocations

Each county will be eligible to receive a base allocation plus a portion of monies determined based on county population. The formula that will be used follows.

$$\text{County Allocation} = \$2,105,263 + [\$800,000,015 * (\text{County Population} / \text{Tennessee Population})]$$

Proposed allocations for each county are included as Attachment B.

In summary, this approach sets aside \$200 million for equal distribution among each of Tennessee's 95 counties, providing each county a base allocation of \$2,105,263. The remaining funds set aside for non-competitive grants, approximately \$800 million, will be distributed to each county proportional to their population in addition to their base allocation.

This methodological approach closely aligns with that taken by the U.S. Treasury. It provides funding for projects roughly commensurate with customers served/provided access to water, wastewater, and stormwater services.

In distributing funds at the county level, the State of Tennessee and individual communities will have the opportunity to better leverage local ARP dollars as a source of required co-funding. TDEC encourages consideration of leveraging local ARP dollars to meet co-funding requirements due to the immense identified need for infrastructure investment in the state. However, co-funding dollars are not required to come from local ARP monies and a variety of other sources may be used to satisfy this requirement. County governments, metropolitan areas, and non-entitlement units are receiving ARP allocations from Treasury.⁶ Additionally, counties are strongly encouraged to collaborate with all water, wastewater, and stormwater systems which operate in their boundaries to consider multi-system or regional solutions to enhancing water infrastructure. TDEC, ECD, the Comptroller's Office, TAUD, and other parties are available to discuss the distribution of funds among systems, if needed. Additional detail regarding expectations for county coordination

⁶ Notably, utility systems are not.

amongst sub-recipients follows. *TDEC welcomes comments on this allocation approach and specific suggestions for alternative arrangements.*

Co-Funding Requirements

TDEC is proposing a sliding scale of 20-40 percent of the sub-recipient allocation as the co-funding requirement to accept dollars under this grant program. A county's co-funding requirement is based on the Ability to Pay Index (ATPI), which considers a community's unique socioeconomic and financial data. TDEC further recognizes that a county's ability to pay may not align with the ability to pay of a municipality that sits within its boundaries and has taken this into consideration when determining co-funding requirements. Proposed sub-recipient co-funding requirement is detailed in Attachment B.

Entities receiving direct ARP allocations are encouraged to consider leveraging these dollars to fulfill the co-funding requirement. TDEC acknowledges that the need for investment in water infrastructure far exceeds the \$1.35 billion allocated by the state to address outstanding needs and recognizes the potential for amplifying the impact of these funds by pairing with local ARP dollars. However, counties and municipalities are not required to use local ARP dollars to meet co-funding requirements and may consider other sources such as direct, indirect, or in-kind support. *TDEC is seeking feedback on what sources of funds, such as federal, state, or local funds, and what type of co-funding sources, such as direct, indirect, or in-kind, should be accepted.*

Minimum Sub-Recipient Requirements

Each county sub-recipient will need to meet basic threshold requirements as a condition of accepting their non-competitive allocation. Many of these requirements will require collaboration between counties and other local stakeholders. These requirements will be included in any awards/contracts and are intended to ensure thoughtful and meaningful selection of water infrastructure projects, local investment of funds to support short- and long-term success of projects, and alignment of projects with the state's strategic water, wastewater, and stormwater investment priorities. These requirements are:

- Development and submittal of a proposal for the county's use of funds for approval by TDEC. TDEC is creating a recommended approach for collaborative identification and prioritization of water infrastructure projects for counties, municipalities, and water systems to use. TDEC is also creating proposal template and non-competitive grant program manual, anticipated for release in early January 2022, to facilitate this process and ensure that applicants are submitting required information. If each system⁷ operating within a county is not accounted

⁷ TDEC expects counties to engage community public drinking water systems and wastewater systems with a component of municipal or domestic wastewater (e.g., wastewater treatment plants, collection systems,

for in the proposed scope of projects, the county must submit an explanation as to why a given system was not included. This will allow TDEC to understand why the system was not included and ensure equitable and justifiable distribution of funds throughout the county. The county must also submit letters of support with its proposal from an authorized representative of each water and wastewater utility and stormwater system serving the county.

- Commitment of co-funding as informed by TDEC's ability to pay index (ATPI), ranging from 20-40 percent of sub-recipient award. Completion of a [TN Infrastructure Scorecard](#) version 2.0 for each water, wastewater, and stormwater treatment system⁸ operating in the county and submission to TDEC with project proposal(s) prior to commencement of projects covered by State of Tennessee awarded ARP funds. TDEC is partnering with TAUD to execute TN Infrastructure Scorecard training and completion and is planning to begin this work in November 2021. Additional details relating to this activity are provided in subsequent sections. Sub-recipients will also be required to submit post-project [TN Infrastructure Scorecards](#) to support identification and reporting of project impacts.
- Commitment by systems to pursue long-term fiscal sustainability and engagement in conversations regarding rate structure with the Comptroller's Office if deemed necessary.
- Submittal of progress updates in the format requested by TDEC and as required by Treasury. These requirements will be fully detailed by TDEC in grant program manuals.⁹ Under the Interim Final Rule, reasonable administrative costs are allowable expenditures under this grant program.
- Compliance with all local, state, and federal granting, financial and procurement requirements that may be triggered by acceptance of these funds. The Tennessee Department of Finance & Administration also offers a [Local Government Technical Assistance Program](#). Under the Interim Final Rule, reasonable administrative costs are allowable expenditures under this grant program.

Proposal and Project Requirements

In preparing submittals for review and approval by TDEC, each county applicant must adhere to the following proposal requirements. TDEC will be creating a proposal template and non-competitive grant program manual, anticipated for release in January 2022, to facilitate this process and ensure that applicants are submitting information that TDEC needs for project review and approval.

and decentralized treatment systems) serving the public to be included but not wastewater systems operating for the primary purpose of supporting commercial/industrial operations.

⁸ *Id.*

⁹ See [Recipient Compliance and Reporting Responsibilities](#) for a description of US Treasury defined requirements.

- Proposed activities must meet eligibility requirements as included in Treasury’s Final Rule, which is anticipated in late Fall 2021, and further as determined by the State of Tennessee’s program distributing these funds, which is anticipated to be finalized in November 2021.
- Proposals must be reviewed and approved by TDEC prior to commencement of work.
- Each county’s proposal, which is likely to include multiple projects across multiple systems, must address 3 or more of the following priority areas. Counties and systems are encouraged to tie proposed project activities to results of their completed TN Infrastructure Scorecard. Reference section IV for a description of each priority.
 - Achieving compliance with local, state, and federal drinking water, wastewater, and stormwater water quality requirements
 - Water loss reductions
 - Infiltration/inflow reductions
 - Asset management planning for sustainable drinking water, wastewater, and stormwater systems
 - Modernization and/or optimization of facilities, equipment, and operations
 - Replacement of lead service lines
 - Water reuse
 - Green infrastructure / best management practices / stormwater management
 - Consolidation / regionalization
 - Managing risk / building resilience to extreme weather events, cybersecurity, or other hazards
 - Enhancing service to small, disadvantaged, or underserved communities

Collaborative activities between a county, its systems, and engineering and consulting experts to identify eligible and investment-worthy activities (i.e., planning) are allowable expenditures under this granting program. As a result, communities are encouraged to invest in thoughtful planning activities that will set them up for successful project execution and long-term infrastructure enhancements. Additionally, forthcoming guidance documents produced by TDEC will outline a proposed approach for collaborative project identification and prioritization by counties, municipalities, and water systems serving the county. *TDEC is seeking feedback as to how, through this Water Infrastructure Investment Program, it can further support sub-recipients in engaging in planning and identification of projects for inclusion in proposals, such as coordinating facilitated conversations amongst water systems and local governments within a county, or making third party services for engineering and consulting services more readily available to communities.*

In accordance with current federal guidance, all ARP funds must be obligated by December 31, 2024 and spent by December 31, 2026. We realize this is a tight timeframe for major infrastructure projects, especially with the planning that is needed to develop strong projects. Depending on the needs of the individual system or community, proposed ARP projects may be focused on

preliminary work required for larger, long-term projects that extend beyond the ARP timeframe. For example, reducing water loss will improve financial sufficiency of the system, which may improve the future opportunities for projects financed through the [State Revolving Fund Program](#).

Education and Outreach

TDEC and its partners will engage in robust education and outreach for the Water Infrastructure Investment Program generally, and the Non-Competitive Grant Program specifically, in Fall 2021 and through 2022. Upon release of this *Draft Water Infrastructure Investment Plan*, TDEC will host recorded webinars informing the public of the contents of the plan and opportunities to provide public comment. Following review of public comments and finalization of the *Water Infrastructure Investment Plan*, TDEC will host multiple workshops throughout the state to inform the public of Water Infrastructure Investment Program details, and specifically, application requirements and processes associated with its non-competitive grant program. This will support potential sub-recipients in understanding minimum requirements and eligible uses of these funds and equip communities with the tools they need for successful planning and project identification and execution. Education and outreach activities will align with other State of Tennessee planned ARP technical assistance and outreach to communities where possible to maximize planned touch points with communities.

Potential sub-recipients are encouraged to take advantage of the Tennessee Department of Finance & Administration's [Local Government Technical Assistance Program](#).

TDEC is seeking feedback on what additional actions it can take to more fully inform interested stakeholders on its plans for deploying these funds and the non-competitive grant program in particular.

Timeline

A tentative timeline for execution of the non-competitive grant program and related activities will proceed as follows.

TDEC will launch technical assistance, in partnership with TAUD, to execute completion of [TN Infrastructure Scorecards](#) in November 2021. Simultaneously, TDEC will release final details of the non-competitive, formula-based granting program in November 2021 and will host workshops throughout the state to inform the public of Water Infrastructure Investment Program details, and specifically, application requirements and processes associated with its non-competitive grant program.

In January 2022, sub-recipients will have their first opportunity to submit proposals to TDEC for proposed scopes of work for use of non-competitive grant funds. TDEC will review those on a rolling basis and will accept proposals through December 2022.

VIII. DISBURSEMENT OF FUNDS: STATE-INITIATED STRATEGIC PROJECTS

Roughly \$350 million will be allocated towards state-initiated priority projects that seek to strategically and rapidly deploy ARP dollars towards water infrastructure needs at an enterprise scale. A description of state-initiated priority projects as identified to date follows. The State of Tennessee and TDEC plan to regularly review the need, feasibility, and eligibility of each of these priority projects throughout the duration of the Water Infrastructure Investment Program based on a variety of factors including but not limited to: eligibility under Treasury's forthcoming final ARP rule, information gathered during interactions with the public, information gathered during non-competitive grant program execution, partnership capacity to support execution, other financial resources available that could fund activities, and the progression of local, state, and federal activities that may influence relevance of proposed state-initiated strategic projects. Commitment of specific dollar amounts or maximum anticipated expenditure for any given category are listed where they have already been determined.

TN Infrastructure Scorecard Completion for All Utilities and Systems

TDEC and the Tennessee Association of Utility Districts (TAUD) are collaborating to support completion of [TN Infrastructure Scorecards](#) Version 2.0 for each water, wastewater, and stormwater system across the state.¹⁰ This effort will take place from November 2021 to October 2022 and is a foundational step in understanding the environmental, operational, and financial health of each system and identifying opportunities for deploying ARP dollars towards system enhancement through eligible water, wastewater, and stormwater projects. This critical step builds upon the successful piloting of the inaugural version of the TN Infrastructure Scorecard over the past two years.

TDEC and TAUD will support TN Infrastructure Scorecard completion by hosting trainings and webinars on the TN Infrastructure Scorecard tailored towards medium and large drinking water, wastewater, and stormwater systems. For small systems, TDEC and TAUD will provide hands-on technical assistance in actual completion of the scorecard. Approximately \$1 million will be dedicated to this project.

Funding for Select Community Development Block Grant and Infrastructure Planning Grants

ECD recently received approximately \$39 million in investment-worthy applications for water infrastructure improvements under the Community Development Block Grant program and \$5 million in applications for infrastructure planning grants. TDEC and ECD will partner together to fund these successful grant application projects as a state-initiated strategic project. These projects have already undergone review by both agencies and represent activities that can be quickly

¹⁰ The TN Infrastructure Scorecard is distinct from the ASCE Infrastructure Scorecard. TDEC and TAUD are currently developing a version 2.0, which will be available in November 2021.

initiated to begin deployment of ARP dollars. In funding these projects, ECD will have the opportunity to re-evaluate other high need uses of CDBG and Infrastructure Planning Grant (IPG) funds. A summary of projects being considered follows. These funds are being awarded outside of any non-competitive grant dollars that the sub-recipient may be eligible for.

CDBG Summary

Project Type:	Total Number	Total Request	Total Co-Funding
Water System	24	\$ 11,940,795	\$ 5,777,057
Sewer System	42	\$ 21,698,437	\$ 8,834,734
Water Line Extension	7	\$ 3,622,794	\$ 1,544,590
Sewer Line Extension	4	\$ 2,029,141	\$ 253,093
Total	77	\$ 39,291,167	\$ 16,409,474

IPG Summary

Total Number	Total Request	Total Co-Funding
105	5,061,695.00	451,101.00

Non-Competitive Grant Program Project and Proposal Development Support

TDEC anticipates that some counties, water systems, and communities will lack in-house capacity to facilitate identification and aggregation of water infrastructure projects for inclusion in their non-competitive grant applications. As such, TDEC is exploring opportunities to make available existing contract services or to contract with a third party to support select community project and proposal identification and support. These activities may include but would not necessarily be limited to: facilitating conversations among local governments, water systems, and engineers to discuss potential projects and prioritization across the county, developing project scopes of work and cost estimates, assisting with non-competitive grant program application development and submission, and developing action plans for successfully executing approved scopes of work funded by non-competitive grant program dollars. This scope of work would be included in a larger RFP that TDEC will be offering to support timely and effective administration of funds.

New SRF Loan Incentive

TDEC anticipates that a significant influx of available grant funding for DWSRF and CWSRF eligible projects will result in a temporary decrease in interest in securing loans for water infrastructure projects through its SRF programs. Yet numerous water systems across the state have recently identified projects for TDEC's Priority Ranking List and/or have begun the loan application process. TDEC will set aside approximately \$20 million of ARP funds to be offered in the form of subsidy to incentivize continued participation in SRF loan program activities. TDEC will consider a variety of system and project specific factors when determining how to deploy this incentive.

Statewide Information Technology / GIS Project

TDEC recognizes the power of harnessing technology and geographic information systems (GIS) to support information collection, aggregation, storage, distribution and communication, as well as to support data-informed decision making. Using technology and spatial representation of information extends into the water infrastructure world and has the potential to revolutionize the way TDEC and its partners execute their respective missions. TDEC will dedicate \$8 million to a statewide technology project that seeks to modernize how water infrastructure and other utility information is gathered, stored, and shared among state agencies and the public. While the specific scope and scale of this work has yet to be determined, TDEC is interested in creating a solution that will meet multiple state, local, and federal agency needs. *TDEC requests input as to what current water infrastructure data and information challenges exist today, and how a state-led project could alleviate those challenges.*

Education and Workforce Development Projects

TDEC has recognized that investment in water infrastructure is critical to Tennessee today and in the future. However, investing in a workforce that is qualified, capable, and well compensated to operate and maintain this infrastructure is equally important. To address this need to build a robust workforce to support water infrastructure, TDEC will allocate \$5 million to education and workforce development projects supporting water infrastructure.

State Agency Priority Projects

The State of Tennessee is an owner of considerable assets that comprise water infrastructure across the state, such as wastewater treatment facilities located at Department of Corrections, Tennessee State Parks, or other state-owned locations; water tanks supporting the operations of state buildings, extensive waterlines, and dams; and activities that serve to directly support successful operation of high quality water infrastructure across the state, such as facilitation and execution of nonpoint source pollution projects. TDEC will dedicate up to \$160 million to ARP eligible projects that can be directly administered by the state and will coordinate directly with interested state agency partners, the State Building Commission, and the Department of General Services to

evaluate eligibility and feasibility. As a category, state agency priority projects seek to provide meaningful and positive impact on the ability of state government to meet citizen and customer needs, and present opportunities for the state to more strategically and efficiently administer limited financial resources.

Industrial Site Development Projects

Current financial assistance programs in Tennessee cannot fund many water infrastructure needs associated with industrial site development. Access to reliable and high-quality drinking water, fire protection, wastewater, and stormwater management services are a critical component of successful site development and business recruitment. To address this unmet need, TDEC will set aside up to \$160 million for water infrastructure projects supporting industrial site development. TDEC will work closely with ECD to administer these funds in alignment with their site development grants.

Major Regional Water Supply Projects

Similarly, current financial assistance programs in Tennessee are not well suited to finance major regional water supply projects that are necessary to support the long-term needs of certain communities. To address this unmet need, TDEC will set aside up to \$160 million for eligible water infrastructure projects that alleviate major regional water supply challenges.

IX. DISBURSEMENT OF FUNDS: COMPETITIVE GRANTS

Any funds not obligated or spent via the non-competitive grant program or state-initiated strategic projects will be re-programmed via a competitive granting program. While details regarding this program will be released at a later date, TDEC anticipates allowing potential sub-recipients of funds to leverage these dollars to execute innovative water infrastructure projects and related activities that support priorities and unmet needs mentioned earlier in this plan, while emphasizing sustainability, resilience, and preparedness for the future. TDEC will release a grant manual and associated materials for competitive grants in late 2022 once it better understands the amount of funding that may be available for this particular funds deployment strategy. *TDEC welcomes feedback on project types and eligible sub-recipients that should be emphasized through a competitive granting program.*

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X. COMMUNICATION, EDUCATION & OUTREACH

To support transparent, timely, and consistent communication, education, and outreach to communities, water systems, and the public relating to this plan, TDEC has launched and is maintaining an [ARP Water Infrastructure Investment Program website](#), which houses information, resources, and assistance for local governments, utilities, and other entities serving as sub-recipients of ARP funding for water infrastructure enhancements, including but not limited to: basic information on eligible activities, WIAC activities, FAQs, currently active funding programs, opportunities for public participation, and more. This website provides a dedicated email address, TDEC.ARP@tn.gov, for the ARP Water Infrastructure Investment program. TDEC will be updating this webpage regularly to reflect the most current information.

TDEC is also participating in presentations at local and regional conferences and will host webinars, workshops, and public information sessions to ensure awareness regarding uses of funds as part of the ARP Water Infrastructure Investment Program and opportunities to take advantage of these financial resources. These presentations and public information sessions are intended to reach a variety of stakeholders in communities across the state, taking advantage of existing events and forums when possible as well as virtual and in-person formats.

Additionally, TDEC will be regularly communicating updates on its Water Infrastructure Investment Program activities via a dedicated listserv as well as existing listservs that cater to stakeholders who may have an interest in this program. To join this dedicated listserv, please send an email to TDEC.ARP@tn.gov with the subject line "Join Water Infrastructure Investment Program Listserv" in the subject line.

As part of public participation relating to the design of the ARP Water Infrastructure Investment Program, TDEC will be accepting written comments on this *Draft Water Infrastructure Investment Plan* through Friday, October 29, 2021. Written comments may be delivered electronically (preferred) to TDEC.ARP@tn.gov or mailed to the department at

RE: Draft Water Infrastructure Investment Plan Comments
Tennessee Department of Environment and Conservation
William R. Snodgrass Tennessee Tower, 2nd Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243

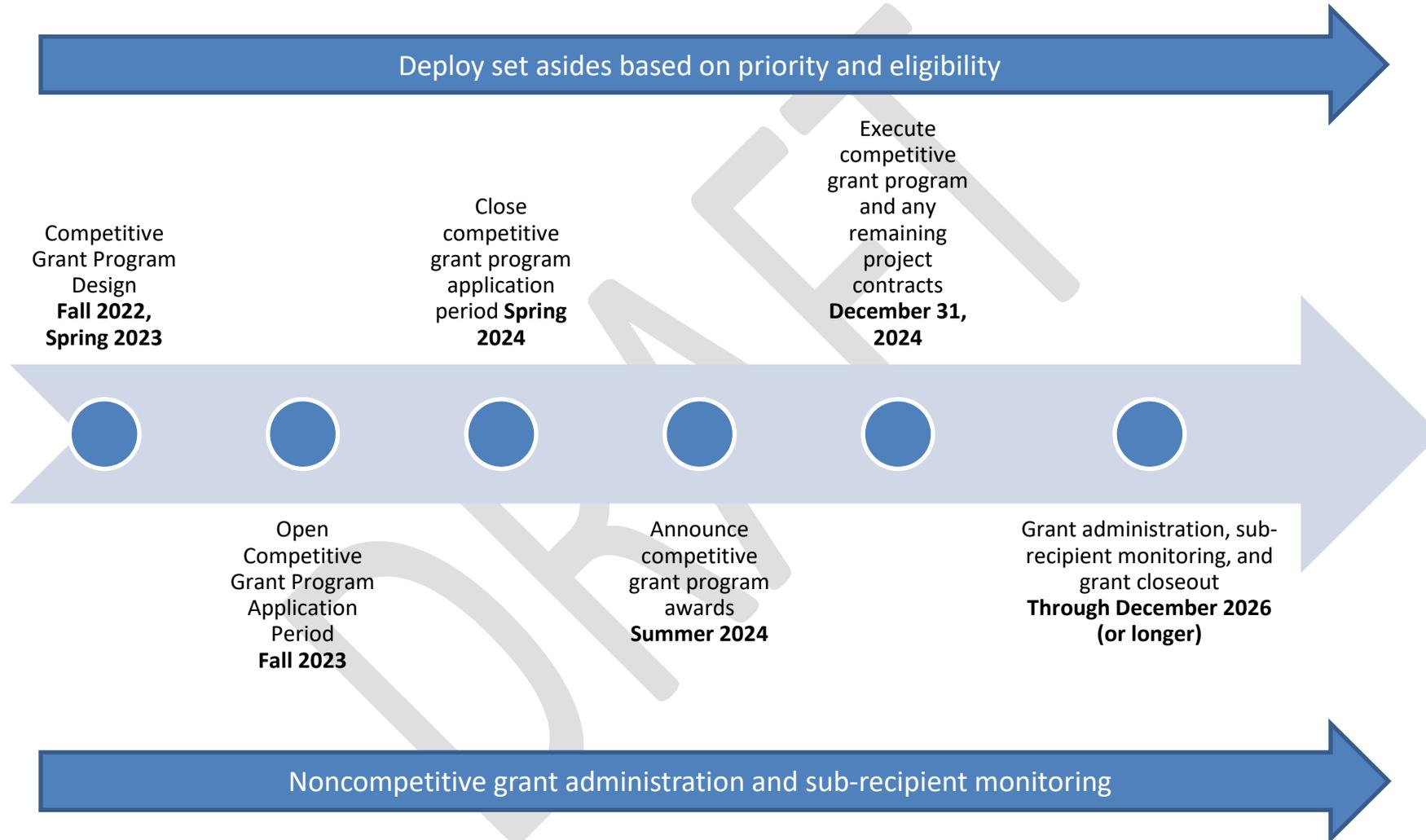
Following review of comments received, TDEC will publish its *Final Water Infrastructure Investment Plan*. Any subsequent changes to the final plan will be communicated via the ARP Water Infrastructure Investment Program website and other communication education, and outreach tools.

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ATTACHMENT A:

Estimated Timeline for Water Infrastructure Investment Program, Years 2-6



ATTACHMENT B:

Proposed Non-Competitive Grant Allocations and Co-Funding Requirements by County

County	County Economic Status, FY 2022	Population 2020		Urban/Rural	Equal Allocation	% of Population Allocation	Total Allocation	% of Total Allocation	Amount Allocated per Person	July 2021 ATPI	Co-Funding Requirement
Anderson	Transitional	77,558	1.13%	Urban	2,105,263	9,009,423	11,114,686	1.11%	143	50	30%
Bedford	Transitional	50,179	0.73%	Rural	2,105,263	5,828,978	7,934,241	0.79%	158	70	40%
Benton	At-Risk	16,131	0.23%	Rural	2,105,263	1,873,836	3,979,099	0.40%	247	40	20%
Bledsoe	Distressed	15,223	0.22%	Rural	2,105,263	1,768,360	3,873,623	0.39%	254	10	20%
Blount	Transitional	134,751	1.96%	Urban	2,105,263	15,653,173	17,758,436	1.78%	132	90	40%
Bradley	Transitional	109,071	1.58%	Urban	2,105,263	12,670,089	14,775,352	1.48%	135	60	30%
Campbell	At-Risk	39,837	0.58%	Rural	2,105,263	4,627,613	6,732,876	0.67%	169	10	20%
Cannon	Transitional	14,847	0.22%	Rural	2,105,263	1,724,682	3,829,945	0.38%	258	70	40%
Carroll	At-Risk	27,779	0.40%	Rural	2,105,263	3,226,911	5,332,174	0.53%	192	40	20%
Carter	At-Risk	56,418	0.82%	Urban	2,105,263	6,553,723	8,658,986	0.87%	153	30	20%
Cheatham	Competitive	41,101	0.60%	Rural	2,105,263	4,774,444	6,879,707	0.69%	167	90	40%
Chester	Transitional	17,432	0.25%	Rural	2,105,263	2,024,965	4,130,228	0.41%	237	80	40%
Claiborne	At-Risk	32,023	0.46%	Rural	2,105,263	3,719,910	5,825,173	0.58%	182	20	20%
Clay	Distressed	7,629	0.11%	Rural	2,105,263	886,213	2,991,476	0.30%	392	0	20%
Cocke	Distressed	36,225	0.53%	Rural	2,105,263	4,208,029	6,313,292	0.63%	174	10	20%
Coffee	Transitional	57,632	0.84%	Rural	2,105,263	6,694,745	8,800,008	0.88%	153	70	40%
Crockett	Transitional	14,180	0.21%	Rural	2,105,263	1,647,201	3,752,464	0.38%	265	50	30%
Cumberland	Transitional	61,603	0.89%	Rural	2,105,263	7,156,031	9,261,294	0.93%	150	50	30%
Davidson	Competitive	694,176	10.08%	Urban	2,105,263	80,638,042	82,743,305	8.27%	119	100	40%
Decatur	Transitional	11,601	0.17%	Rural	2,105,263	1,347,615	3,452,878	0.35%	298	20	20%
DeKalb	Transitional	20,837	0.30%	Rural	2,105,263	2,420,503	4,525,766	0.45%	217	40	20%
Dickson	Transitional	54,376	0.79%	Rural	2,105,263	6,316,517	8,421,780	0.84%	155	80	40%
Dyer	Transitional	36,693	0.53%	Rural	2,105,263	4,262,394	6,367,657	0.64%	174	40	20%
Fayette	Transitional	41,620	0.60%	Rural	2,105,263	4,834,733	6,939,996	0.69%	167	80	40%

County	County Economic Status, FY 2022	Population 2020		Urban/Rural	Equal Allocation	% of Population Allocation	Total Allocation	% of Total Allocation	Amount Allocated per Person	July 2021 ATPI	Co-Funding Requirement
Fentress	At-Risk	18,787	0.27%	Rural	2,105,263	2,182,367	4,287,630	0.43%	228	20	20%
Franklin	Transitional	42,485	0.62%	Rural	2,105,263	4,935,214	7,040,477	0.70%	166	80	40%
Gibson	Transitional	49,159	0.71%	Rural	2,105,263	5,710,491	7,815,754	0.78%	159	50	30%
Giles	Transitional	29,530	0.43%	Rural	2,105,263	3,430,314	5,535,577	0.55%	187	70	40%
Grainger	At-Risk	23,565	0.34%	Rural	2,105,263	2,737,397	4,842,660	0.48%	206	40	20%
Greene	At-Risk	69,571	1.01%	Rural	2,105,263	8,081,624	10,186,887	1.02%	146	40	20%
Grundy	Distressed	13,485	0.20%	Rural	2,105,263	1,566,467	3,671,730	0.37%	272	0	20%
Hamblen	Transitional	65,110	0.95%	Urban	2,105,263	7,563,418	9,668,681	0.97%	148	60	30%
Hamilton	Transitional	371,662	5.40%	Urban	2,105,263	43,173,627	45,278,890	4.53%	122	80	40%
Hancock	Distressed	6,493	0.09%	Rural	2,105,263	754,251	2,859,514	0.29%	440	0	20%
Hardeman	At-Risk	24,836	0.36%	Rural	2,105,263	2,885,041	4,990,304	0.50%	201	20	20%
Hardin	At-Risk	25,583	0.37%	Rural	2,105,263	2,971,816	5,077,079	0.51%	198	30	20%
Hawkins	At-Risk	56,775	0.82%	Rural	2,105,263	6,595,193	8,700,456	0.87%	153	40	20%
Haywood	At-Risk	17,002	0.25%	Rural	2,105,263	1,975,015	4,080,278	0.41%	240	0	20%
Henderson	At-Risk	28,076	0.41%	Rural	2,105,263	3,261,412	5,366,675	0.54%	191	40	20%
Henry	Transitional	32,056	0.47%	Rural	2,105,263	3,723,743	5,829,006	0.58%	182	30	20%
Hickman	Transitional	25,387	0.37%	Rural	2,105,263	2,949,047	5,054,310	0.51%	199	60	30%
Houston	At-Risk	8,292	0.12%	Rural	2,105,263	963,229	3,068,492	0.31%	370	50	30%
Humphreys	Transitional	18,590	0.27%	Rural	2,105,263	2,159,483	4,264,746	0.43%	229	70	40%
Jackson	At-Risk	11,864	0.17%	Rural	2,105,263	1,378,166	3,483,429	0.35%	294	30	20%
Jefferson	Transitional	55,307	0.80%	Rural	2,105,263	6,424,665	8,529,928	0.85%	154	70	40%
Johnson	At-Risk	17,849	0.26%	Rural	2,105,263	2,073,406	4,178,669	0.42%	234	10	20%
Knox	Transitional	475,609	6.91%	Urban	2,105,263	55,248,494	57,353,757	5.74%	121	90	40%
Lake	Distressed	6,988	0.10%	Rural	2,105,263	811,752	2,917,015	0.29%	417	0	20%
Lauderdale	Distressed	25,451	0.37%	Rural	2,105,263	2,956,482	5,061,745	0.51%	199	0	20%
Lawrence	Transitional	44,432	0.65%	Rural	2,105,263	5,161,385	7,266,648	0.73%	164	50	30%
Lewis	At-Risk	12,363	0.18%	Rural	2,105,263	1,436,132	3,541,395	0.35%	286	30	20%

County	County Economic Status, FY 2022	Population 2020		Urban/Rural	Equal Allocation	% of Population Allocation	Total Allocation	% of Total Allocation	Amount Allocated per Person	July 2021 ATPI	Co-Funding Requirement
Lincoln	Transitional	34,540	0.50%	Rural	2,105,263	4,012,294	6,117,557	0.61%	177	60	30%
Loudon	Transitional	54,910	0.80%	Urban	2,105,263	6,378,548	8,483,811	0.85%	155	90	40%
Macon	Transitional	24,827	0.36%	Rural	2,105,263	2,883,996	4,989,259	0.50%	201	50	30%
Madison	Transitional	98,360	1.43%	Urban	2,105,263	11,425,860	13,531,123	1.35%	138	50	30%
Marion	Transitional	28,924	0.42%	Rural	2,105,263	3,359,918	5,465,181	0.55%	189	60	30%
Marshall	Transitional	35,016	0.51%	Rural	2,105,263	4,067,588	6,172,851	0.62%	176	80	40%
Maury	Transitional	99,590	1.45%	Rural	2,105,263	11,568,741	13,674,004	1.37%	137	90	40%
McMinn	Transitional	54,208	0.79%	Rural	2,105,263	6,297,001	8,402,264	0.84%	155	50	30%
McNairy	At-Risk	25,696	0.37%	Rural	2,105,263	2,984,942	5,090,205	0.51%	198	10	20%
Meigs	At-Risk	12,532	0.18%	Rural	2,105,263	1,455,763	3,561,026	0.36%	284	40	20%
Monroe	At-Risk	47,177	0.69%	Rural	2,105,263	5,480,254	7,585,517	0.76%	161	50	30%
Montgomery	Transitional	214,251	3.11%	Urban	2,105,263	24,888,186	26,993,449	2.70%	126	80	40%
Moore	Transitional	6,438	0.09%	Rural	2,105,263	747,862	2,853,125	0.29%	443	90	40%
Morgan	At-Risk	21,431	0.31%	Rural	2,105,263	2,489,504	4,594,767	0.46%	214	10	20%
Obion	At-Risk	30,131	0.44%	Rural	2,105,263	3,500,128	5,605,391	0.56%	186	20	20%
Overton	Transitional	22,566	0.33%	Rural	2,105,263	2,621,350	4,726,613	0.47%	209	60	30%
Perry	Distressed	8,099	0.12%	Rural	2,105,263	940,810	3,046,073	0.30%	376	10	20%
Pickett	At-Risk	5,061	0.07%	Rural	2,105,263	587,904	2,693,167	0.27%	532	20	20%
Polk	Transitional	16,835	0.24%	Rural	2,105,263	1,955,616	4,060,879	0.41%	241	50	30%
Putnam	Transitional	80,929	1.18%	Rural	2,105,263	9,401,011	11,506,274	1.15%	142	70	40%
Rhea	At-Risk	33,443	0.49%	Rural	2,105,263	3,884,862	5,990,125	0.60%	179	30	20%
Roane	Transitional	53,841	0.78%	Rural	2,105,263	6,254,369	8,359,632	0.84%	155	60	30%
Robertson	Transitional	72,275	1.05%	Rural	2,105,263	8,395,730	10,500,993	1.05%	145	90	40%
Rutherford	Competitive	339,261	4.93%	Urban	2,105,263	39,409,808	41,515,071	4.15%	122	100	40%
Scott	Distressed	22,090	0.32%	Rural	2,105,263	2,566,056	4,671,319	0.47%	211	0	20%
Sequatchie	At-Risk	15,176	0.22%	Rural	2,105,263	1,762,900	3,868,163	0.39%	255	40	20%
Sevier	Transitional	99,244	1.44%	Rural	2,105,263	11,528,549	13,633,812	1.36%	137	80	40%

County	County Economic Status, FY 2022	Population 2020		Urban/Rural		Equal Allocation	% of Population Allocation	Total Allocation	% of Total Allocation		Amount Allocated per Person	July 2021 ATPI	Co-Funding Requirement
Shelby	Transitional	936,017	13.59%	Urban		2,105,263	108,731,184	110,836,447	11.08%		118	30	20%
Smith	Transitional	20,285	0.29%	Rural		2,105,263	2,356,380	4,461,643	0.45%		220	70	40%
Stewart	Transitional	13,859	0.20%	Rural		2,105,263	1,609,913	3,715,176	0.37%		268	60	30%
Sullivan	Transitional	158,755	2.31%	Urban		2,105,263	18,441,566	20,546,829	2.05%		129	50	30%
Sumner	Competitive	195,561	2.84%	Urban		2,105,263	22,717,086	24,822,349	2.48%		127	100	40%
Tipton	Transitional	61,918	0.90%	Rural		2,105,263	7,192,623	9,297,886	0.93%		150	60	30%
Trousdale	Transitional	11,455	0.17%	Rural		2,105,263	1,330,655	3,435,918	0.34%		300	100	40%
Unicoi	At-Risk	17,755	0.26%	Rural		2,105,263	2,062,486	4,167,749	0.42%		235	20	20%
Union	At-Risk	20,187	0.29%	Rural		2,105,263	2,344,996	4,450,259	0.45%		220	20	20%
Van Buren	At-Risk	5,947	0.09%	Rural		2,105,263	690,825	2,796,088	0.28%		470	50	30%
Warren	At-Risk	41,605	0.60%	Rural		2,105,263	4,832,990	6,938,253	0.69%		167	30	20%
Washington	Transitional	130,367	1.89%	Urban		2,105,263	15,143,911	17,249,174	1.72%		132	70	40%
Wayne	At-Risk	16,524	0.24%	Rural		2,105,263	1,919,489	4,024,752	0.40%		244	30	20%
Weakley	Transitional	33,334	0.48%	Rural		2,105,263	3,872,200	5,977,463	0.60%		179	40	20%
White	Transitional	27,707	0.40%	Rural		2,105,263	3,218,547	5,323,810	0.53%		192	60	30%
Williamson	Attainment	245,348	3.56%	Urban		2,105,263	28,500,528	30,605,791	3.06%		125	100	40%
Wilson	Competitive	148,130	2.15%	Rural		2,105,263	17,207,327	19,312,590	1.93%		130	100	40%