Water Infrastructure Investments

- USDA Rural Development
- American Rescue Plan
- State Revolving Fund
- Community Development Block Grant
- Bipartisan Infrastructure Law
Proposed Disbursement Strategies - $1.35 billion total

- Non-Competitive Formula-Based Grants ($1 billion)
- State Strategic Projects ($269 million)
- Competitive Grants with Leftover Dollars (TBD)
Non-Competitive Formula-Based Grants ($1 billion)

- Eligible subrecipients may apply to TDEC for designated grant dollars (Appendix B of the investment plan)
- Funding allocations are intended to support water infrastructure projects for community citizens
- A city or county proposal should account for all systems that provide water, wastewater, or stormwater services to community residents
Response to Comments

• Approximately **300** unique comments from **148** individuals/entities
• Condensed to approximately **85** pages of raw comments
• TDEC issued a summary response to comments document and attached the raw comments as an Appendix
Response to Comments

Subrecipient Model

Funding Allocation Model

Co-Funding Requirements

Prioritized Project Types

Timeframe and Potential Labor/Supply Shortages

Education and Outreach Strategies
Final Water Infrastructure Investment Plan

- All the major updates to discuss today focus on the non-competitive grant program

  - Expanded Subrecipient Eligibility
  - Funding Allocation Model
  - Collaborative and Non-Collaborative Project Applications
  - Incentivization Strategies
Expanded Subrecipient Eligibility

- Eligible cities are those that are incorporated and operate water or wastewater systems or a permitted stormwater program.
- Systems not owned by cities or counties should collaborate with the communities they serve.

Draft Plan
- 95 Counties

Final Plan
- 95 Counties & 267 Eligible Cities
Funding Allocation Model

- **Base Allocation**: Provides all cities and counties with sufficient funding to execute at least one project. Accounts for differences in costs to install and maintain infrastructure in urban and rural communities
  - 20% ($200M) to Counties: $2,105,263 per county
  - 15% ($150M) to Cities: $561,798 per city

- **Population Allocation**: Proxy for customers served
  - 25% ($250M) distributed to counties and cities by raw population
  - County populations have subtracted city populations within that county

- **ATPI-Population Allocation**: Weights to consider how “disadvantaged” a community is, utilizing the Ability To Pay Index
  - 40% ($400M) distributed to counties and cities by weighted population
Application Phases

Collaborative Phase

• Incentivizes Partnership and Collaboration
• Must involve multiple entities working together with a shared purpose
• Required co-funding based on the *lowest* co-funding of collaborative entities
• TDEC will enter a grant contract with one entity (lead applicant)

Non-Collaborative Phase

• Late submissions of collaborative proposals will be permitted
• Non-collaborative proposals (single entities for projects) may submit at this phase
Incentivization Strategies

- Counties and cities may use a combination of the co-funding reduction strategies for a maximum co-funding reduction of 10%