



Department of  
**Environment &  
Conservation**

# American Rescue Plan Grants Updates

Vena Jones, PG., Manager  
State Water Infrastructure Grants

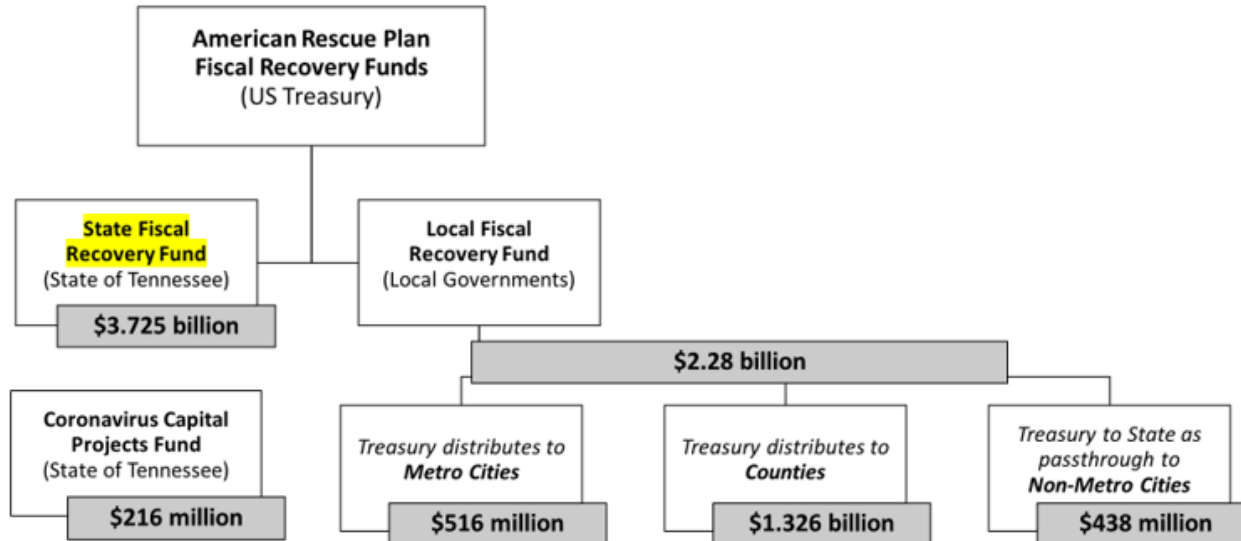
# American Rescue Plan (ARP) State and Local Funding for TN

## 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

## State Fiscal Recovery Funds (TDEC ARP):

- 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



# TDEC American Rescue Plan (ARP) Overview

- \$1 billion funding opportunity
  - to counties and eligible cities through a formula-based, non-competitive grant program
- **Application solicitation open through November 1, 2022**
  - Collaborative proposals can be submitted now
  - Non-collaborative proposals can be submitted now
  - Deadline to submit all proposals is November 1.
- TDEC's Grant Management System (GMS)
  - DWR – ARP **Collaborative Grants** State Water Infrastructure Grants (SWIG) Program
  - DWR – ARP **Non-collaborative Grants** State Water Infrastructure Grants (SWIG) Program

# ARP Website and Email

- **Website:**  
<https://tn.gov/environment/arp>
  - Updated with Frequently Asked Questions
  - Water Infrastructure Investment Plan
  - Non-Competitive Grant Manual
  - Email Listserv Sign-Up
- **Email:**  
[TDEC.ARP@tn.gov](mailto:TDEC.ARP@tn.gov)
  - Any TDEC ARP Questions
  - Monitored Daily



**RED ALERT!!**



**ALL Non-Competitive  
Applications  
(Collaborative and Non-  
Collaborative) May Be  
Submitted NOW!**

# TDEC ARP Water Infrastructure Investment Plan



# Grant Timeline



# Phase 1 Progress to Date

## Notice of Intent: March 2022

278 Responses

Funding Request of \$858,264,365

## Draft Applications In-Progress as of September 14, 2022

109 Applications

Funding Request of \$550,140,715

## Complete Applications as of September 14, 2022

15 Applications

Funding Request of \$69,304,595



# Update on Phase 1

**March 2022**

Notice of Intent

**June 2022**

All applications opened

**April 2022**  
Collaborative applications opened

**November 2022**  
Applications close

**Participation as of September 14, 2022**

	<b>Open (Incomplete) Applications</b>	<b>Submitted (Complete) Applications</b>
<b>Number of Applications</b>	209 Total <ul style="list-style-type: none"><li>• 100 Collaborative</li><li>• 109 Noncollaborative</li></ul>	15 Total <ul style="list-style-type: none"><li>• 4 Collaborative</li><li>• 11 Noncollaborative</li></ul>
<b>Funding Requested</b>	\$550,140,715	\$69,304,595



# Phase 2: State Strategic Projects To Be Approved by Gov. Lee

Strategy	Allocation Amount	Timeline and Administering Agency
1. Grant Program: Community Water Infrastructure	\$200M total	<b>Timeline:</b> Spring 2023 <b>Administering Agency:</b> TDEC
a) Regionalization	\$100M	
b) Water Reuse	\$50M	
c) Resource Protection	\$50M	
2. Grant Program: Septic Management	\$6.5M	<b>Timeline:</b> Spring 2023 <b>Administering Agency:</b> Third-Party Contractor
<b>Total State Strategic Funding</b>	<b>\$269M</b>	<b>Other dollars used for State Parks, Grant Administration, and Other Enterprise Strategies</b>

# Let's Review the Program So YOU can be SUCCESSFUL



To be successful applying for an  
ARP Grant

# Eligible Activities

- Projects may address **drinking water, wastewater, or stormwater** improvements
- Must align with Drinking Water and Clean Water State Revolving Fund project eligibilities
- 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

# Priority Areas

## Critical Need Priority Areas

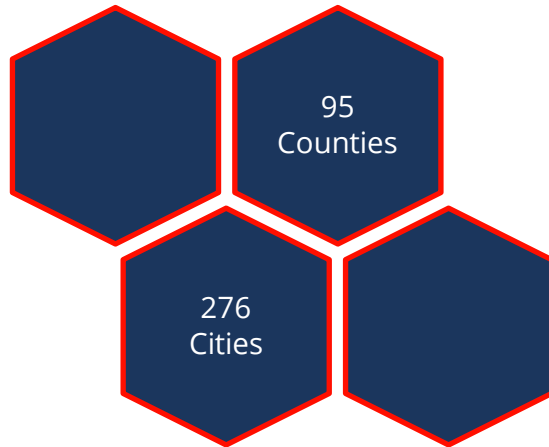
- Addressing Significant Non-Compliance
- Asset Management Planning
- Water Loss Reductions
- Infiltration / Inflow Reductions
- Modernization of Facilities and Equipment

## 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.***

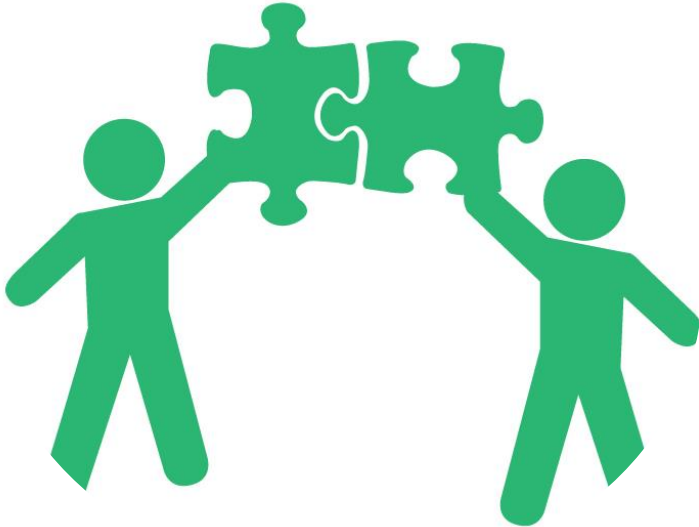
# Eligible Grant Applicants



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.

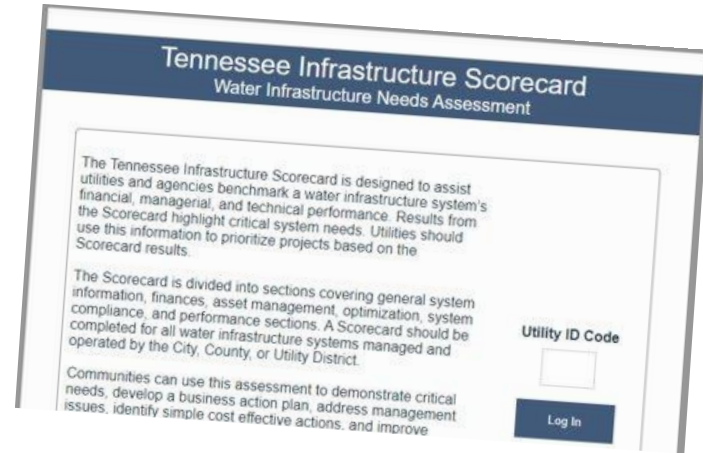
# Collaborative and Non Collaborative Proposals



A collaborative proposal involves multiple entities (utilities, cities, or counties) working together for a *shared purpose*. The proposal can consist of multiple collaborative projects under a single grant applicant. The shared purpose must be clearly explained in the application.

# 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 Management 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		
Capital 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

# Scorecard Summary and Critical Needs

1. **Significant** Non-Compliance
2. Asset Management
3. Water Loss
4. Inflow/Infiltration
5. Modernization

- If only one RED area is indicated, this area must be addressed
- If two RED areas are indicated, both areas must be addressed
- If three or more RED areas are indicated, at least two must be addressed

The order of addressed RED areas must follow #1 and #2

– THE REST IS UP TO YOU

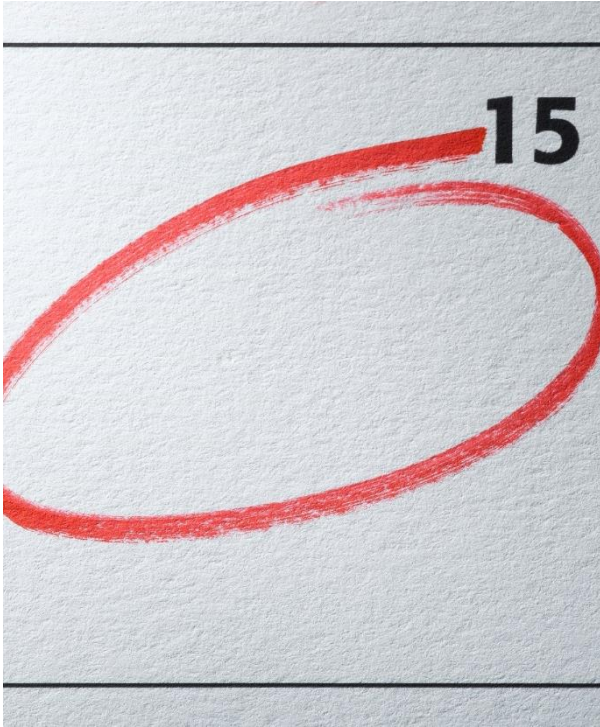
# How to Address Critical Needs

ASSET MANAGEMENT		WATER LOSS	
Asset Management Plan	Yes	Unaccounted Water Loss	43%
GIS Mapping	0-25%	Millions of Gallons/year	153.32
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Meeting Order Requirements (Water)			N/A



# Grant Application and Review

# 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

# Grant Project Award Types


- **Investigation and Planning**
  - Deliverables: Water Loss Control Plans, I/I Reduction and Elimination Plan, Preliminary Engineering Reports, AMPs
- **Investigation, Planning, and Design**
  - Water loss control or I/I plans
  - Preliminary Engineering Reports
  - Plans and Specifications
- **Planning, Design, and Construction**
  - All of the above *plus*
  - CONSTRUCTION PROJECT
- **Construction Only**
  - Standard
  - Streamlined

## Critical Need Matrices

### Drinking Water Critical Needs Matrix

		Project Award Type and Critical Need Requirement			
		Critical Needs	Investigation and Planning	Investigation, Planning, and Design	Planning, Design, and Construction
Drinking Water	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 OR reduce plant demand to such a capacity that it doesn't meet or exceed 80% for 5 years.

# 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



# 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.***

# 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.

# What are you WAITING ON?

- Asset Management Plan Template
  - We intend to release the template this month
- Grant Contract Template
  - We recently got the contract approved. We will be putting it on our website soon
- Bid Package Documents
  - Working to pull together guidelines that has the grant contract, bidding expectations, and other checklists for maximum transparency
- We are working as fast as we can! If you have concerns, give us a call or email. We are happy to talk with you through your issues

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**Believe It  
or Not!**<sup>®</sup>

**MIND  
BLOWN!**  
**TRUE &  
ALL NEW**

# WE ARE NOT THE STATE REVOLVING LOAN FUND

- **State Water Infrastructure Grants (SWIG)**
  - Independent program
  - Both programs are in the Division of Water Resources at TDEC
- Why is this important?
  - SWIG doesn't operate under the same federal requirements
  - No NEPA-Like review
  - NO American Iron and Steel
  - No Up Front Documents before being granted an award
- ABSOLUTELY want to coordinate with SRF and SWIG if you are using funding from both programs
- We can help you navigate leveraging funds

# Cities and Counties can use State ARP money for whatever they want

## Not exactly -ARP Dollars Should Be Used for Critical Needs 1st

All applicants or partnering utilities must complete a Tennessee Infrastructure Scorecard to identify critical needs.

You aren't required to address Scorecard critical needs **before** applying.

Scorecards must be submitted with the non-competitive application.

There is no other deadline associated with completing the Scorecard

# Believe It or NoT

- Are plans and specifications required BEFORE applying?  
NO -Applicants do not need to have all plans and specifications complete prior to submitting the grant application or receiving reimbursement from TDEC on grant activities
- Are Asset Management Plans required BEFORE applying?
  - NO - Applicants do not need to fulfill Asset Management Planning (AMP) requirements prior to working on other projects. AMP requirements must be demonstrated by the end of the grant award (September 2026)



- **When do applications need to be submitted?**

All applications need to be submitted by *November 2022*.

- **Can a city or county “transfer” their state allocation to another city or county?**

YES. TDEC has developed simple instructions for “transferring” state allocations from one eligible entity to another eligible entity.

- **Does this “transfer” count as co-funding?**

NO. “Transferring” state allocation from one eligible entity to another cannot be used as co-funding.

- **What qualifies as a collaborative proposal?**

A collaborative proposal involves multiple entities (utilities, cities, or counties) working together for a *shared purpose*. The proposal can consist of multiple collaborative projects under a single grant applicant. The shared purpose must be clearly explained in the application.

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**Thank You!**