



WATER INFRASTRUCTURE ADVISORY COMMITTEE

Meeting #3

December 10, 2021

Welcome & Introductions of New Members

- LaTricea Adams, Chief Executive Officer, Black Millennials 4 Flint and Director (Organizational Quality), Shelby County Schools
- Daren Gore, Assistant City Manager, City of Murfreesboro
- Mike Patrick, Executive Director, Hamilton County WWTA

We have had several requests to add WIAC member names to our website.

Draft Water Infrastructure Investment Plan – Response to Comments

- Comment Period: October 11-29, 2021
 - Open to all comments and recommendations regarding the draft plan
 - TDEC included **9** prompts for specific feedback
- Approximately **300** unique comments from **148** individuals/entities
- Condensed to approximately **85** pages of raw comments
- TDEC will issue a summary response to comments document and attach the raw comments as an Appendix

Draft Water Infrastructure Investment Plan – Response to Comments

- Prompts for Feedback
 1. What types of systems that align with Treasury ARP rules warrant inclusion in this plan?
 2. 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?
 3. What alternative approaches to distribution of funds will balance state and local government and other sub-recipient administrative and compliance burden?
 4. What allocation approach makes sense and what specific suggestions for alternative arrangements are feasible?
 5. 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?
 6. 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?
 7. 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?
 8. What current water infrastructure data and information challenges exist today, and how could a state-led project could alleviate those challenges?
 9. What project types and sub-recipients should be emphasized through a competitive granting program?

Draft Water Infrastructure Investment Plan – Response to Comments

- Feedback Themes
 - Mixed feedback on the county-only model – some supported, many expressed concerns
 - Significant feedback on the funding allocation model
 - Urban vs. Rural allocation
 - Concern about allocations to disadvantaged communities
 - Environmental justice concerns
 - Circumstance of ATPI differing for county and city
 - Support for specific project types
 - Request for considering a needs assessment
 - Concerns about co-funding: eligible sources and amount
 - Suggestions for education and outreach strategies
 - Concerns about ARP timeframe and potential labor/supply shortages



QUESTIONS?

Final Water Infrastructure Investment Plan

- Major Updates to Plan
 1. Expanded Subrecipient Eligibility
 2. Funding Allocation Model
 3. Collaborative and Non-Collaborative Project Application Phases
 4. Targeted Co-Funding Reduction Strategies
- Infrastructure Scorecard updates will be covered in the next section of the agenda

Final Water Infrastructure Investment Plan

- Expanded Subrecipient Eligibility
 - Draft plan included all 95 counties as subrecipients
 - Final plan expands to additionally include 269 eligible cities
 - Eligible cities are those that are incorporated and operate water or wastewater systems or a permitted stormwater program
 - Non-municipally owned systems should collaborate with the communities they serve

Final Water Infrastructure Investment Plan

- 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: \$557,621 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

Final Water Infrastructure Investment Plan

- Benefits of Revised Model
 - Expands subrecipient eligibility
 - Maintains base allocation to all counties and provides base allocation to cities
 - Infrastructure more expensive to build and maintain in rural communities, with lower population density
 - Provides additional dollars to the most disadvantaged communities
 - 59% of dollars (\$590M) allocated to cities and counties with an ATPI of 50 or less
 - Allows all subrecipients to complete at least one project to address critical needs
- Faced data challenges and inconsistencies for including other variables in the funding allocation model

Final Water Infrastructure Investment Plan

- Collaborative and Non-Collaborative Application Phases
 - Initial Phase: Open only to collaborative proposals
 - Incentivizes partnership and collaboration by allowing early submittal
 - Must involve multiple entities working together on a project or projects with a shared purpose
 - Required co-funding will be based on the lowest co-funding required within the collaborative entities
 - TDEC will enter a grant contract with one entity (lead applicant)
 - Second Phase: Open to collaborative and non-collaborative proposals
 - Late submissions of collaborative proposals will be permitted
 - Non-collaborative proposals (single entities for projects) may submit at this phase
- Benefits of Two-Phase Approach
 - Rewards collaborative proposals
 - Staggers submission of proposals

Final Water Infrastructure Investment Plan

- Targeted Co-Funding Reduction Strategies
 - Strategy 1: Submit a Collaborative Proposal
 - Project co-funding will follow lowest co-funding of the collaborative entities AND
 - Co-funding reduction of 5%
 - Strategy 2: Leverage Local ARP Dollars
 - Co-funding reduction of 5% if at least 50% of the co-funding requirement is met through local ARP dollars
 - Strategy 3: Address Priority Areas of Emphasis
 - Co-funding reduction of 5% if at least 50% of the project(s) budget addresses priority areas of emphasis
- Counties and cities may use a combination of the co-funding reduction strategies for a maximum co-funding reduction of 10%



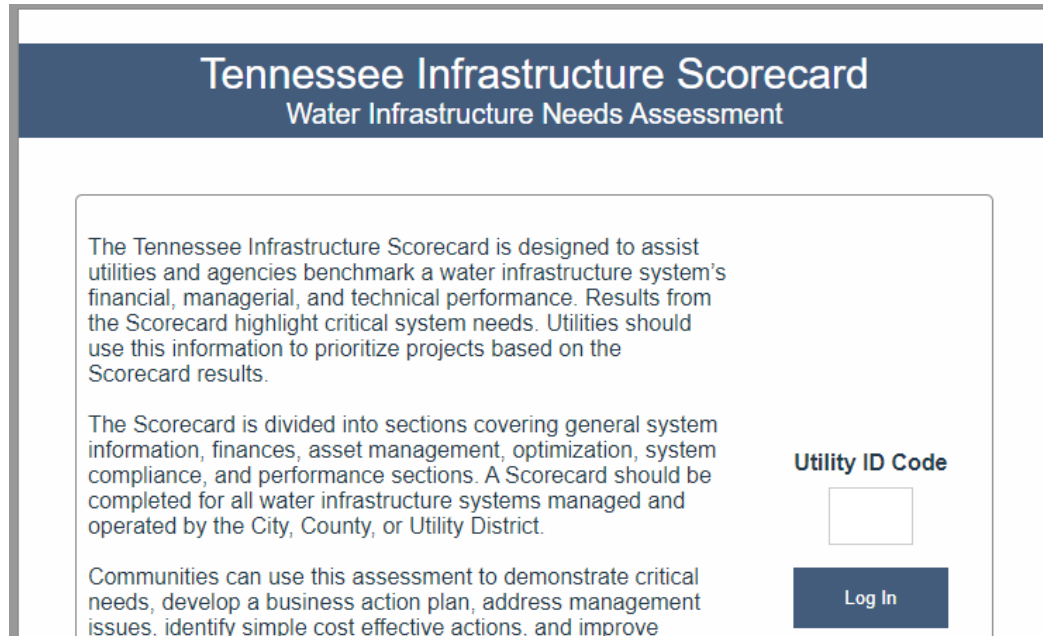
FEEDBACK & DISCUSSION

TN Infrastructure Scorecard Updates

- TN Infrastructure Scorecard is now available for systems to complete.
- All water and wastewater systems will need to complete the Scorecard. This is a requirement to access state ARP dollars.
- Permitted stormwater systems will also complete the Scorecard.
- TDEC estimates that Scorecard completion will take 3-4 hours for a large system, and up to a day for small systems that need to aggregate data.
- TAUD is offering training workshops and technical assistance to systems to support Scorecard completion.

TN Infrastructure Scorecard Updates

- Demo of Scorecard
 - <https://www.tn.gov/environment/arp/infrastructure-scorecard.html>



The screenshot shows the Tennessee Infrastructure Scorecard Water Infrastructure Needs Assessment page. The page has a dark blue header with the title "Tennessee Infrastructure Scorecard" and subtitle "Water Infrastructure Needs Assessment". Below the header is a white box containing text. The text describes the purpose of the scorecard, its sections, and how it can be used by communities. To the right of the text is a "Utility ID Code" input field and a "Log In" button.

Tennessee Infrastructure Scorecard
Water Infrastructure Needs Assessment

The Tennessee Infrastructure Scorecard is designed to assist utilities and agencies benchmark a water infrastructure system's financial, managerial, and technical performance. Results from the Scorecard highlight critical system needs. Utilities should use this information to prioritize projects based on the Scorecard results.

The Scorecard is divided into sections covering general system information, finances, asset management, optimization, system compliance, and performance sections. A Scorecard should be completed for all water infrastructure systems managed and operated by the City, County, or Utility District.

Communities can use this assessment to demonstrate critical needs, develop a business action plan, address management issues, identify simple cost effective actions, and improve

Utility ID Code

Log In

TN Infrastructure Scorecard Updates

- Critical Need Areas
 - 5 areas of critical need identified on the scorecard
 - Compliance
 - Asset Management Planning
 - Water Loss
 - Inflow and Infiltration
 - Aging Infrastructure
 - Based on the results of the Scorecard(s) of systems, project proposals will need to address critical need areas. This information will be included in grant guidance.



QUESTIONS?

TDEC Next Steps and Engagement Opportunities

- December 14-16, 2021
 - TAUD Infrastructure Scorecard Workshops (Information available on ARP Website – Engagement Opportunities)
- December 15, 2021
 - Release Final *Water Infrastructure Investment Plan* and Response to Comments
- December 20, 2021
 - Virtual Town Hall (Information available on ARP Website – Engagement Opportunities)
- January 2022
 - Webinar Series (3) on Investment Plan
- **January 20, 2022**
 - **WIAC Meeting #4: Grant Guidance**
- January / February 2022
 - Release Grant Guidance
- February – April 2022
 - Non-Competitive Grant Workshops (hybrid in-person/virtual)
- Winter / Spring 2022
 - Open Non-Competitive Grant Solicitation



THANK YOU

Appendix - Final Water Infrastructure Investment Plan

- Inclusion of ATPI
 - ATPI is on a scale of 0-100 for each incorporated city and county in Tennessee. ATPI of 0 = most disadvantaged/least able to pay; ATPI of 100 = least disadvantaged/most able to pay
 - Converted ATPI to a scale of 0-1 for appropriate weighting in the funding allocation model. Inverted ATPI so our weighted variable is lower for high ATPI cities/counties and higher for low ATPI cities/counties.
 - Examples: ATPI of 90 is converted to a factor of 0.1. ATPI of 30 is converted to a factor of 0.7.
 - Calculated weighted ATPI-Population by multiplying raw population by the inverted ATPI variable. Lower ATPI communities “retain” more of their population and higher ATPI communities “retain” less of their population.
 - Used the weighted ATPI-Population in the same manner as the raw population