RESOLUTION 23-132

A RESOLUTION AUTHORIZING THE CITY OF SPRING HILL TO APPLY FOR THE TDEC ARP COMPETITIVE GRANT PROGRAM.

WHEREAS, The Tennessee Department of Environment and Conservation (TDEC) has announced $200 million of American Rescue Plan (ARP) funds that are to be committed towards state strategic initiatives for water infrastructure in communities across Tennessee; and

WHEREAS, the funds are to be distributed through a competitive grant program to be administered by TDEC, and it is organized into three separate focus areas of water reuse, regionalization, resource protection; and

WHEREAS, the City of Spring Hill recognizes the need to plan, design, and construct infrastructure to serve a growing community, and staff would like to apply for state ARP funds to address these needs; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Spring Hill, Board of Mayor and Aldermen approve the following:

1. That the City of Spring Hill staff are hereby authorized to submit an application for the TDEC ARP Competitive Grant Funding for Water Reuse.
2. That the City of Spring Hill staff are hereby authorized to submit an application for the TDEC ARP Competitive Grant Funding for Regionalization in partnership with CPWS.
3. That the City of Spring Hill staff are hereby authorized to submit an application for the TDEC ARP Competitive Grant Funding for Resource Protection.
4. That the City of Spring Hill reserves the maximum potential amount of co-funding required of $6.4M (20% of $32M) to be paid from the water and sewer fund.

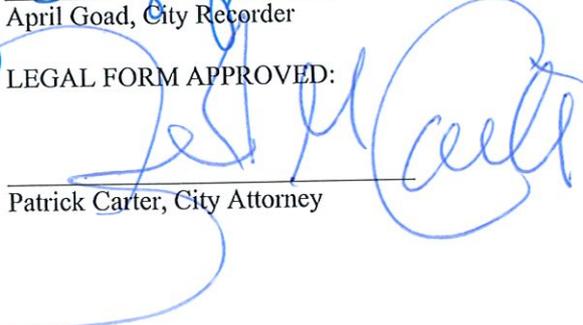**Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 17th day of July, 2023.**
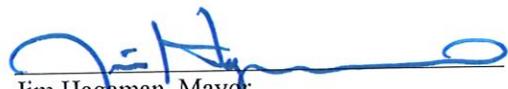
Jim Hagaman, Mayor

ATTEST:
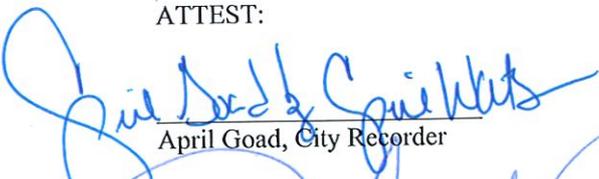
April Goad, City Recorder

LEGAL FORM APPROVED:

Patrick Carter, City Attorney

City of SPRING HILL TENNESSEE est. 1809

REQUEST:	*Approval of Resolution 23-132*
SUBMITTED BY:	Dan Allen, Assistant City Administrator
DATE:	July 17, 2023
RE:	TDEC ARP Competitive Grant application
ATTACHMENTS:	Resolution, Grant Manuals

PURPOSE:

To approve staff request to apply for the TDEC ARP Competitive Grant funds.

BACKGROUND:

The Tennessee Department of Environment and Conservation (TDEC) has announced $200 million of American Rescue Plan (ARP) funds that are to be committed towards state strategic initiatives for water infrastructure in communities across Tennessee. The funds are to be distributed through a competitive grant program to be administered by TDEC, and it is organized into three separate focus areas of water reuse, regionalization, resource protection.

Applications are due on August 8th, 2023 and awards will be announced 60 days later.

The regionalization grant would be a joint application with cooperation from CPWS. Staff from both utilities met on July 7th and agreed to present resolutions to our respective boards authorizing an application to address water distribution projects in the area of GM that were previously part of the WIFIA funding package.

FINANCIAL IMPACT:

Staff intends to submit applications for all three categories, with a maximum total grant award potential of $32M. There will be a co-funding requirement of 20%, which means the City will need to reserve a maximum cofounding amount of $6.4M. If awarded, the match would be funded from the water and sewer fund.

ACTION REQUIRED (INCLUDE DEADLINE /PRIORITY):

BOMA approval needed immediately to make the grant application deadline.

Department of
Environment &
Conservation

TN

ARP COMPETITIVE GRANT WORKSHOP SERIES:
RESOURCE PROTECTION

June 2023

Agenda

- Competitive Grant Program Overview

- Resource Protection Grant Information

- Application Submission and Evaluation

- Grant Implementation
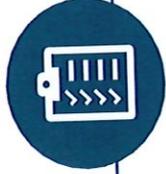
- GMS Walkthrough

- Closing

TN

Grant Program Overview

Grant Program Overview

TDEC is allocating **$200 million** in the form of **competitive grants**, with **$50 million** for resource protection grants
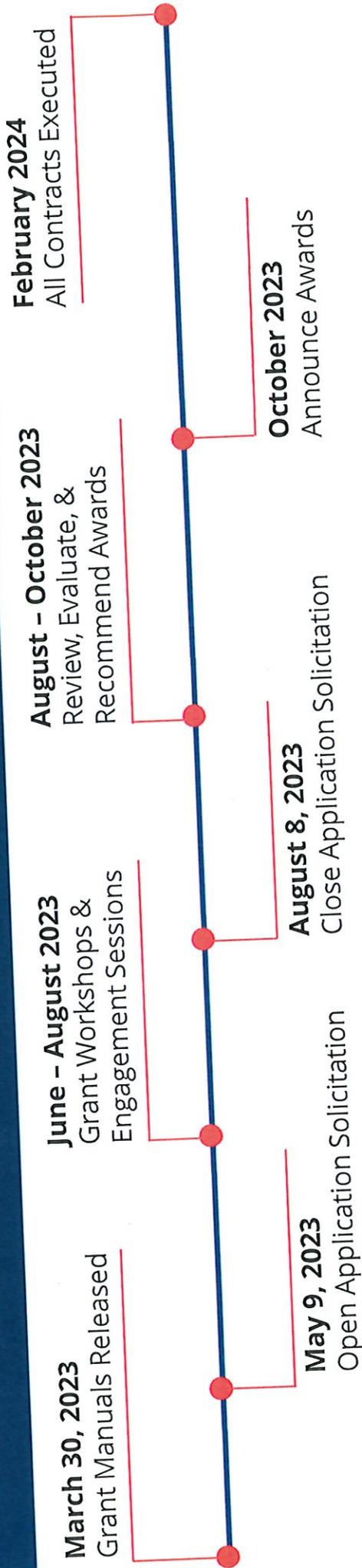
These funds will be distributed for eligible **stormwater management, stream/wetland rehabilitation,** and **infrastructure resilience** projects

Applicants must meet **technical requirements** and demonstrate a **co-funding** commitment

Awards will be granted based on a **scoring system** that determines suitability of funding

4

Timeline and Expectations

March 30, 2023
Grant Manuals Released

May 9, 2023
Open Application Solicitation

June – August 2023
Grant Workshops &
Engagement Sessions

August 8, 2023
Close Application Solicitation

August – October 2023
Review, Evaluate, &
Recommend Awards

October 2023
Announce Awards

February 2024
All Contracts Executed

What to expect:

- **Applicants cannot modify** an application once submitted

- TDEC is **unlikely to engage** with grant applicants before the announcement of awards

- **Incomplete** applications may **not be considered** for funding

- Each **contract** will be **individualized** based on the proposed scope of work and project timelines

- Awardees should anticipate **project management discussions** with TDEC prior to contract execution

- **Awardees may be able to modify** their application between award announcement and contract execution

General Grant Program Rules

1. Each application should include only **one project**

2. For proposals with partners, a **lead applicant** must be identified; TDEC will enter a grant contract with the lead applicant to execute all activities

3. Applicants may submit **multiple proposals** as lead applicant; this is **unique to** the **resource protection** grant

4. Applicants may submit a **proposal for all three grant programs,** if an eligible entity; this will not affect the ranking and evaluation of each application

5. **Non-competitive grant funds cannot be used as match funding** for competitive grant projects and vice versa

TN

Topic 2

Resource Protection Grant Information
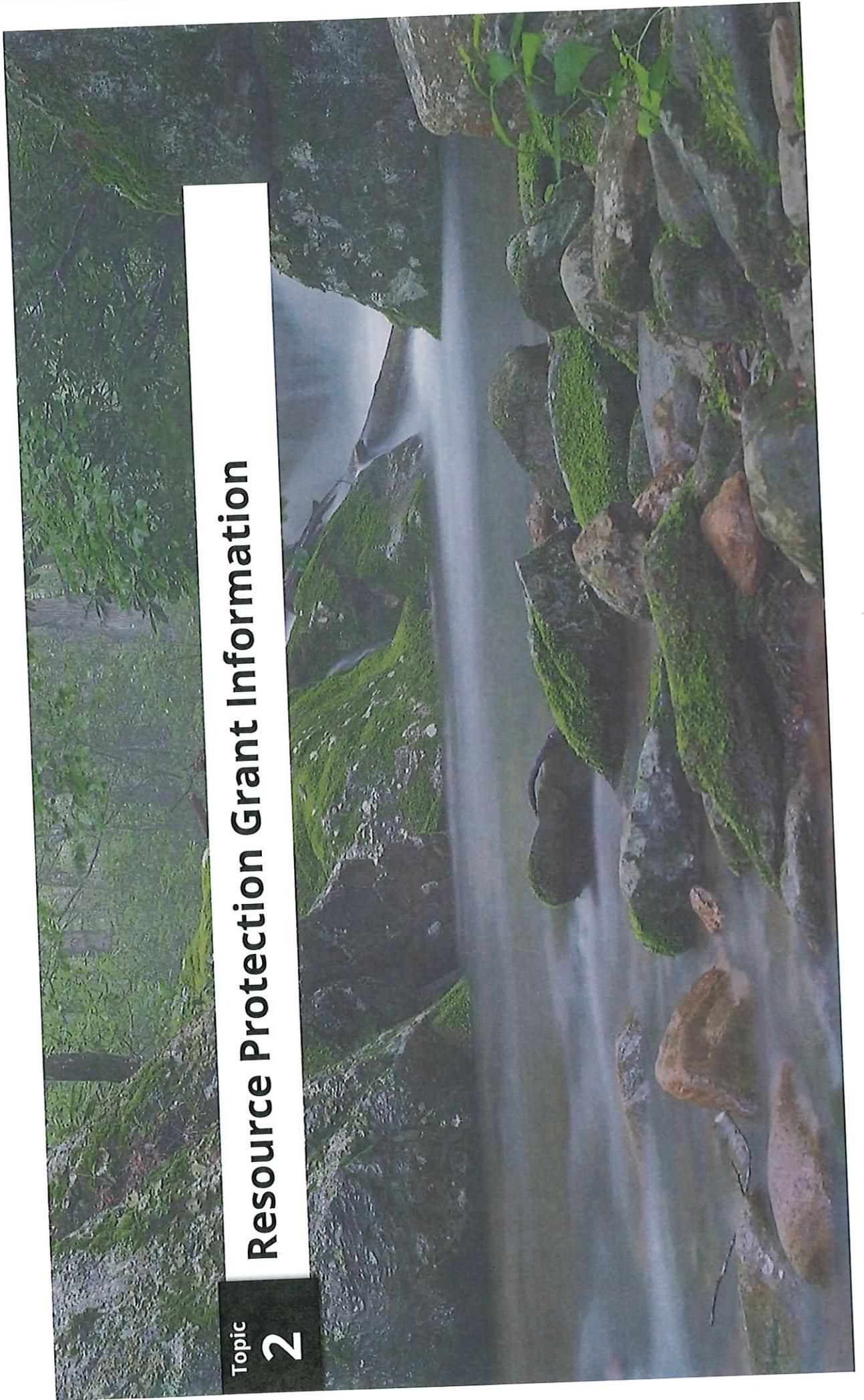
Resource Protection Grant Overview

Resource protection is defined as projects that improve **water infrastructure resilience** to extreme weather events, improve **stormwater management** or water quality, and/or **restore natural landscape** features for improved hydrology.

Applicant Eligibility

- Counties and Cities
- Water Utility Districts
- Water Utility Authorities
- For-profit water infrastructure systems, if in partnership with one of the eligible entities as lead grant applicant
- 501(c)(3) Non-Profits

Ineligible Projects

Projects that result in an appreciable permanent loss of water resource value and require stream or wetland compensatory mitigation

Project Eligibility

- **Stormwater Management:** Management of wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring, harvesting, and reusing stormwater
- **Stream or Wetland Rehabilitation:** Improving the current stream or wetland function and returning the feature to a more stable state, therefore providing improved resource values
- **Infrastructure Resilience:** Projects that reduce vulnerability of facilities and assets to manmade or natural disasters, such as extreme weather events

Project Award Types:

- Investigation and Planning
- Planning, Design, and Construction
- Investigation, Planning, and Design
- Construction Only

Resource Protection Definition Cont.

Resource Protection projects should focus on green infrastructure while minimizing components of gray infrastructure.

- Practices should be eligible Clean Water State Revolving Fund (CWSRF) activities

- Refer to the EPA's 2012 Clean Water State Revolving Fund 10% Green Project Reserve: Guidance for Determining Project Eligibility, section 1.0 for additional eligibility information

- The use of grey infrastructure for protection efforts may be a SRF eligible activity, but applicants should consider alignment with the intent of the grant program

- TDEC does not require a specific percentage of green vs. grey infrastructure

TN

Eligible Activities: Stormwater Management

Applicants Should:

- [✓] **Demonstrate** either how the **project measurably** improves infiltration, capture, or stormwater reuse rates; or measurably changes land use cover within a specific catchment or basin

- [✓] **Identify pollutants** of concern and the **positive water quality benefits** because of the stormwater management practices

- [✓] **Quantify** stormwater management and water quality **benefits** using the <u>Tennessee Runoff Reduction Assessment Tool (TNRRAT)</u> or other approved assessment methodology

Stormwater Management Definitions

Efforts that focus on management of wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring, harvesting, and reusing stormwater

- **Regional Scale:** Preservation and restoration of natural landscape features

- **Local Scale:** Site and neighborhood-specific practices such as bioretention, trees, green roofs, permeable pavements, and cisterns

- **Flood control projects** are **not** an **eligible** activity, but resource projection projects often provide flood mitigation co-benefits

- **Stormwater reuse activities** are eligible under this resource projection grant, **not** the water reuse grant

10

Eligible Activities: Stream or Wetland Rehabilitation

Definitions

- **Stream or wetland rehabilitation** projects include enhancement and restoration of streams or wetlands, streambank stabilization, or low-head dam removal projects

- Projects should focus primarily on improving the current stream or wetland function and returning the feature to a more stable state, therefore providing **improved resource values**

- Any natural resource rehabilitation project must maintain or improve **aquatic connectivity** and be designed such that there is an overall improved resource value

Applicants Should:

1. Determine the **Restoration Potential**
2. Describe **site selection** methods
3. Determine project-specific function-specific and objectives
4. Describe the potential for **functional lift** at a site
5. Detail success **criteria**
6. Develop a **monitoring** plan
7. Complete these steps using a **quantitative assessment** tool or approved scientific method

11

Stream or Wetland Rehabilitation Project Requirements

Project Requirements

- Applicants must provide a rehabilitation plan, including a schedule for completion of all construction and monitoring measures

- Natural resource rehabilitation projects often require an individual Aquatic Resource Alteration Permit (ARAP)

- Some projects may require long-term inspection, maintenance, and management following construction – applicants should include this process information if applicable

Reporting

- Projects focused on stream and wetland restoration, rehabilitation, or bank stabilization will have application and reporting requirements that may differ from traditional infrastructure projects

- Pre- and post-project requirements may be similar to reporting requirements found in the TDEC Stream Mitigation Guidelines or TN Rapid Assessment Methods for wetlands, depending on the project scope and complexity

  - Applicants may utilize the TN Stream Quantification Tool or reach out to SWIG for additional guidance

12

Eligible Activities: Infrastructure Resilience

Infrastructure Resilience Definitions

Projects that reduce vulnerability of drinking water and wastewater facilities and assets to manmade or natural disasters

Infrastructure Resilience projects can aim to...

- **Prevent** interruption of services

- **Maintain** the integrity of the system

- **Preserve** and protect the facility or assets

- **Enhance** community resilience through improved stormwater management

- **Secure** and conserve local water supplies through water reuse and conservation
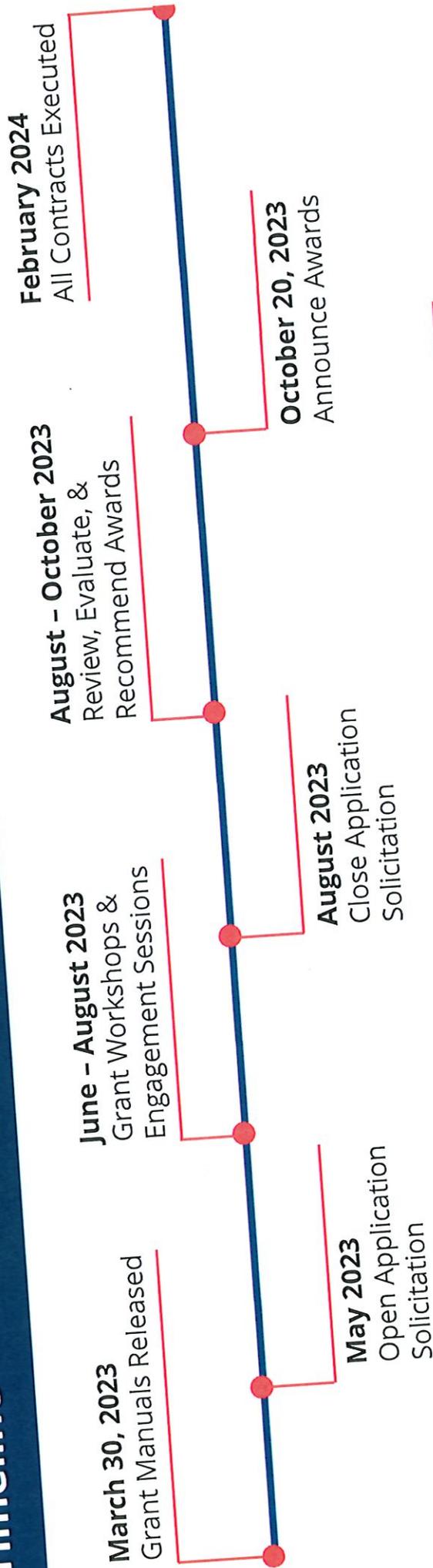
...in the event of a flood, drought, or natural disaster

These projects often work in alignment with system capacity projects, coordination of emergency response activities, and asset management planning efforts

Applicants Should:

- Demonstrate that project outcomes will result in improved facility or asset performance following manmade or natural disasters

- Leverage existing resources such as the EPA's pages on Drinking Water and Wastewater Resilience, Resilient Strategies Guide for Water Utilities, and the Climate Resilience Evaluation and Awareness Tool (CREAT)

13

Timeline

March 30, 2023
Grant Manuals Released

May 2023
Open Application Solicitation

June – August 2023
Grant Workshops & Engagement Sessions

August 2023
Close Application Solicitation

August – October 2023
Review, Evaluate, & Recommend Awards

October 20, 2023
Announce Awards

February 2024
All Contracts Executed

Review Process Timing

Awards will be announced approximately **60 days** after the application closes

Grant contracts will be executed approximately **120 days** of grant award announcements

---

Program Spend Timing

Grant contracts will have an effective date of **March 3, 2021** and end on **September 30, 2026**

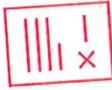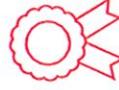All **funds** must be **obligated** by **December 31, 2024**

TN

Competitive Grant Program Eligibility

The following entities are eligible to apply for the ARP Competitive Grants:

- Counties and Cities
- Water Utility Districts
- Water Utility Authorities or Similarly Governed Bodies
- For-profit water infrastructure systems, if in partnership with one of the eligible entities as lead grant applicant
- 501(c)(3) Non-Profits, for Resource Protection only

Additional eligibility considerations apply for each grant:

Regionalization

- Grant proposals must include at least one partnership

Water Reuse

- Includes either potable or non-potable water reuse
- Stormwater reuse is not eligible under this category

Resource Protection

- Project categories include stream/wetland restoration, stormwater management, and infrastructure resilience

TN

Grant Manual Components

Regionalization

Regionalization projects **strategically connect Tennessee infrastructure** to improve services and optimize capacity. These efforts seek to provide cooperative support across water and wastewater systems to **enhance system capacity, reduce costs,** and/or obtain a **higher level of service.**

Project Award Types

- Investigation and Planning
- Investigation, Planning, and Design
- Planning, Design, and Construction

Definitions

- **Sustainable:** Providing a high-quality level of service in an environmentally responsible manner.
- **Affordable:** Reducing total life cycle costs through economy of scale.
- **Reliable:** Meeting reasonably foreseeable challenges, ensuring source water protection, flood and drought resistance, adequate supply, storage, and transmission flexibility.

TN

Regionalization Funding

$100 million total in funding will be awarded to Regionalization grants

Eligible Activities for Grant Funding Requests

Professional Fee, Grant, and Award	Capital Purchase
Development of a legal framework and governance model for system ownership	Land Purchase for Easement
General Grant Admin	Construction
Acquisition Services for Land/Easement	Equipment Purchase
Review & Legal Fees	Construction Admin/Inspection
Engineering Design/Other Engineering Services	
Survey	Permits/Easement
Bidding Services	

Maximum Proposal Budgets per Project Award Type

Project Award Type	Proposal Budget Max
Investigation and Planning	$2 Million
Investigation, Planning and Design	$7 Million
Planning, Design and Construction	$20 Million

TN

Water Reuse Overview

Water reuse is the practice of **capturing water** that would otherwise be **discarded**, **treating** it to an appropriate level, and **reusing** it for beneficial purposes.

Please note, stormwater reuse activities fall under the Resource Protection grant.

Definitions

- **Non-Potable Water Reuse:** Water is captured, treated, and used for non-drinking purposes, such as toilet flushing, clothes washing, and irrigation as toilet flushing, clothes washing, and irrigation as the used for

- **Potable Water Reuse:** Water that will be used for drinking water

Project Award Types

Non-Potable Water Reuse:
- Investigation and Planning
- Investigation, Planning, and Design
- Investigation, Planning, Design, and Construction
- Planning, Design, and Construction Only
- Construction Only

Potable Water Reuse*:
- Investigation and Planning
- Investigation, Planning, and Design
- Investigation

*The State of Tennessee requires a pilot prior to engaging in potable reuse activities, and those pilot activities are considered Investigation and Planning.

TN

Water Reuse Funding

$50 million in funding will be awarded for Water Reuse grants

Maximum Proposal Budgets per Project Award Type

Project Award Type	Proposal Budget Max	
	Non-Potable Reuse	Potable Reuse
Investigation and Planning	$500,000	$3 Million
Investigation, Planning and Design	$1.5 Million	$7 Million
Planning, Design and Construction	$6.5 Million	N/A
Construction Only	$5 Million	N/A

Eligible Activities for Grant Funding Requests

Professional Fee, Grant, and Award	Capital Purchase
Investigation to determine interest/viability of water reuse for industry, agriculture, or domestic water needs	Land Purchase for Easement
General Grant Admin	Construction
Acquisition Services for Land/Easement	Equipment Purchase
Review & Legal Fees	Construction Admin/Inspection
Engineering Design/Other Engineering Services	Permits/ Easement
Survey	
Bidding Services	

Resource Protection Overview

Resource protection is defined as projects that improve **water infrastructure resilience** to extreme weather events, improve **stormwater management** or water quality, and/or **restore natural landscape** features for improved hydrology.

Eligible Projects

- **Stormwater Management:** Management of wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring, harvesting, and reusing stormwater.

- **Stream or Wetland Rehabilitation:** Improving the current stream or wetland function and returning the feature to a more stable state, therefore providing improved resource values.

- **Infrastructure Resilience:** Projects that reduce vulnerability of facilities and assets to manmade or natural disasters, such as extreme weather events.

Project Award Types

- Investigation and Planning

- Investigation, Planning, and Design

- Planning, Design, and Construction

- Construction Only

TN

Resource Protection Funding

$50 million in funding will be awarded for Resource Protection grants

Maximum Amounts per Project Award Type

Project Award Type	Proposal Budget Max
Investigation and Planning	$1 Million
Investigation, Planning and Design	$2 Million
Planning, Design and Construction	$5 Million
Construction Only	$5 Million

Eligible Activities for Grant Funding Requests

Professional Fee, Grant, and Award	Capital Purchase
Planning for restoration of permanent riparian buffers, floodplains, or wetlands	Land Purchase for Easement
General Grant Admin	Construction
Acquisition Services for Land/Easement	Equipment Purchase
Review & Legal Fees	Construction Admin/Inspection
Engineering Design/Other Engineering Services	Permits/Easement
Survey	
Bidding Services	

TN

Co-Funding Requirements

Co-funding is required for this Competitive Grant Program.

Co-funding amounts:

- Co-funding amounts are based on the 2022 Ability to Pay Index (ATPI) for the project area served
  - Water Reuse and Resource Protection: Lead Applicant's ATPI
  - Regionalization: Lowest ATPI of the partners
- No co-funding reductions

Grant applicants with an associated ATPI of....

< 60	60 – 80	90 – 100

Have a co-funding requirement of...

5%	15%	20%

Co-funding sources:

- Eligible: Cash and Third-Party In-Kind Contributions
- Ineligible: TDEC ARP Non-Competitive Grant funds

13

Reimbursement

Reimbursement amounts vary by project type and are the same across the three grants. However, not every grant includes every project type.

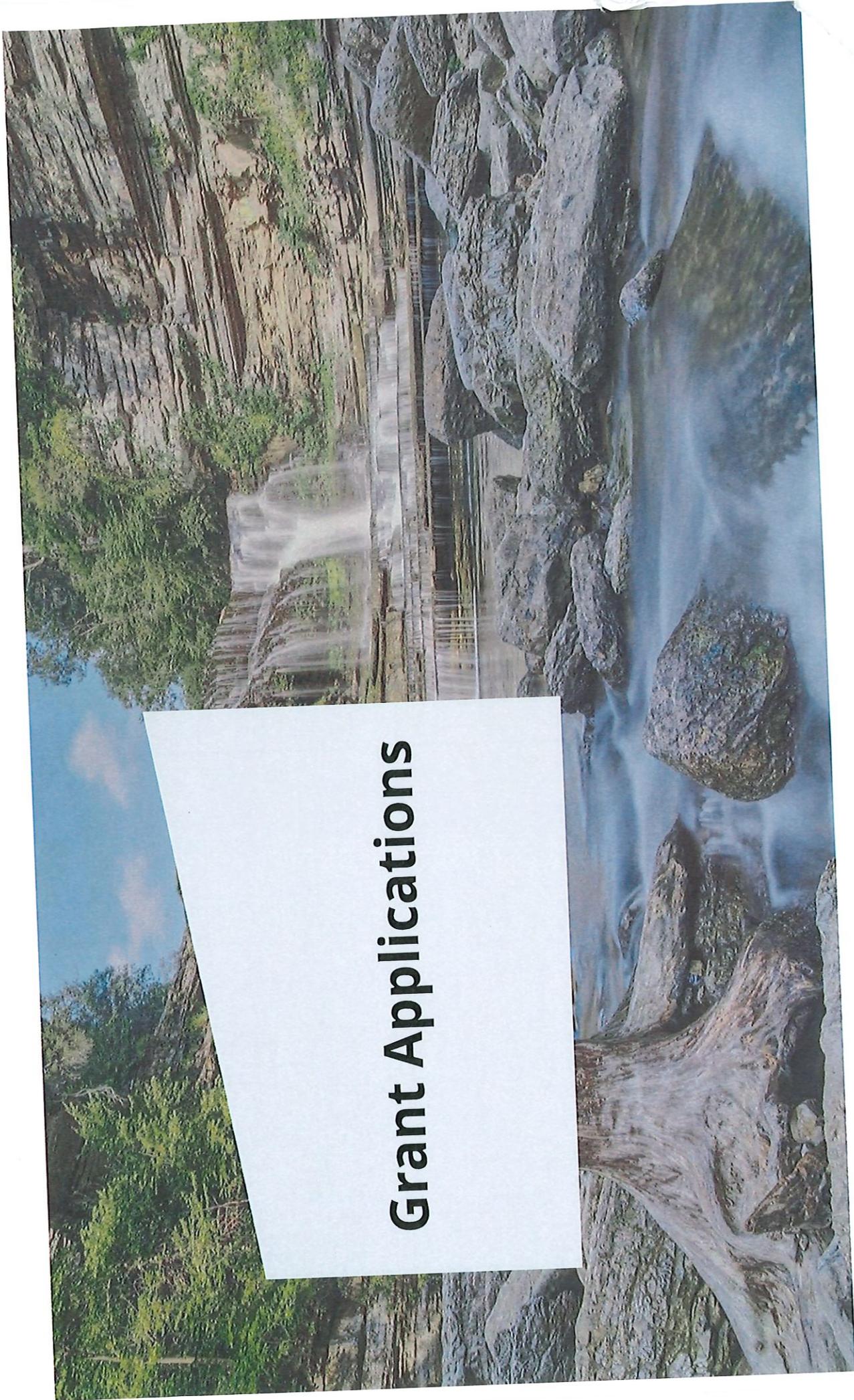|	
Investigation & Planning	**80%** The maximum allowable reimbursement of the individual project budget until the PER(s) or comparable deliverable is received and approved by TDEC.
	80% The maximum allowable reimbursement of the planning fees of an individual project budget until the PER(s) or comparable deliverable is received and approved by TDEC.
Investigation, Planning, & Design	**80%** The maximum allowable reimbursement of the design fees of an individual project budget until the plans and specifications are received and approved by TDEC.
	80% The maximum allowable reimbursement of the design fees of an individual project budget until the plans and specifications are received and approved by TDEC.
Planning, Design, & Construction, or Construction Only	**80%** The maximum allowable reimbursement of the total individual project costs until the construction is complete, the site has been inspected by TDEC (or designated agent) and is in proper operation, and TDEC has approved the project.
	90%

TN

Grant Applications

Application Submission

Every grant application must contain the following components:

- Designated grant applicant and partners (if applicable)

- Description and narrative of proposal

- Uploaded Tennessee Infrastructure Scorecard for lead applicant and any partners (Regionalization and Water Reuse Only)

- Detailed proposal and project budget and deliverables timeline
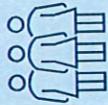
- Co-funding requirements

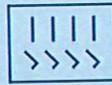- Proposal details – 250-word responses to grant-specific questions

- Technical project information – varies by project award type

16

Application Evaluation Methodology

Proposals will be evaluated using a **scoring rubric** based on a 100-point system. Proposals will be ranked relative to other proposals.

The scoring rubric consists of **Community/ System** Considerations and **Proposal** Considerations.

Proposals with the highest total points at the end of scoring for each grant will be considered for funding. TDEC may not award funds to proposals that score below a 70.

TDEC may not engage with grant applicants during the application evaluation period. Grant applicants are not allowed to revise or add to applications following submission. Incomplete applications may not be eligible for funding.

TDEC will form a panel of three subject matter experts for each grant to review applications.

TDEC will conduct an **administrative review** of each application for **completeness, accuracy, and eligibility** before initiating the technical evaluation.

Scoring Rubrics

Complete scoring rubrics are contained in each of the grant manuals, but at a high level, each grant will be scored on the following considerations:

Regionalization

Community/System Considerations
Max Points: 60

- Financial capacity of lead applicant
- Investment in a disadvantaged community
- Lead applicant population served
- Partner population served
- Current facility design capacity being utilized by lead applicant and partners
- Projected increase in system ability to accomplish project
- Demonstration of related historically successful efforts relating to the project
- Demonstration of rate structure consideration
- Use of non-competitive funds to address system critical needs

Proposal Considerations
Max Points: 40

- Alignment with definition of regionalization
- Demonstration of drivers for regionalization activities
- Project activity alignment with EPA green guidance

Water Reuse

Community/System Considerations
Max Points: 40

- Technical, managerial, and financial capacity
- Current drought capacity
- Current assimilative capacity of receiving system
- Use of non-competitive funds to address system critical needs
- Demonstration of end market for produced water
- Historical demonstration of enhanced public education and outreach

Proposal Considerations
Max Points: 60

- Alignment with definition of water reuse
- Demonstration of drivers for water reuse activities
- Potable water that will be offset by reused water
- Project outcomes will positively impact an impaired stream for the specific impairment issue
- Plan for enhanced public education and outreach
- Project activity alignment with EPA green guidance

Resource Protection

Community/System Considerations
Max Points: 45

- Investment in a disadvantaged community
- Historical demonstration of successful resource protection projects
- Historical demonstration of enhanced public education and outreach
- Project is on an impaired stream or within the HUC 12 of a stream not supporting all its designated uses and project activities are directly connected to use and water quality improvement

Proposal Considerations
Max Points: 55

- Alignment with definition of resource protection
- Demonstration of need for resource protection
- Demonstrated project outcomes (various options in rubric depending on project type)
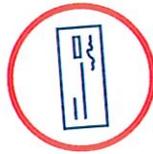- Plan for enhanced public education and outreach

Application Evaluation Considerations

TDEC may consider **feasibility** of project/proposal completion and **diversity** of project types, applicants, geographic distribution in making final funding recommendations

Applicants must demonstrate how they will meet **co-funding requirements** and validate the feasibility of project completion within the performance period

Please note that **TDEC may select parts of a proposal for funding** and may offer to fund less than the eligible grant amounts or a smaller amount than requested in the application

Applications will not be reviewed before the deadline; there is no incentive to submit applications early. **We advise applicants to take any extra time to review the application for accuracy before submitting,** as revisions or additions are not allowed following submission.

19

TN

Next Steps

1. **Review the grant manuals** before the application solicitation opens in May

2. Be prepared to **work on your application** between May and August

3. Work to get any **unapproved non-competitive grant applications approved and under contract** as soon as possible

4. Sign up for the **TDEC ARP listserv** at the *bottom of the ARP website home page* and stay tuned for further engagement opportunities

TN

Resources

- Regionalization Grant Manual

- Water Reuse Grant Manual

- Resource Protection Grant Manual

- State Strategic Projects Framework

- TDEC ARP Website

tdec.arp@tn.gov

TN
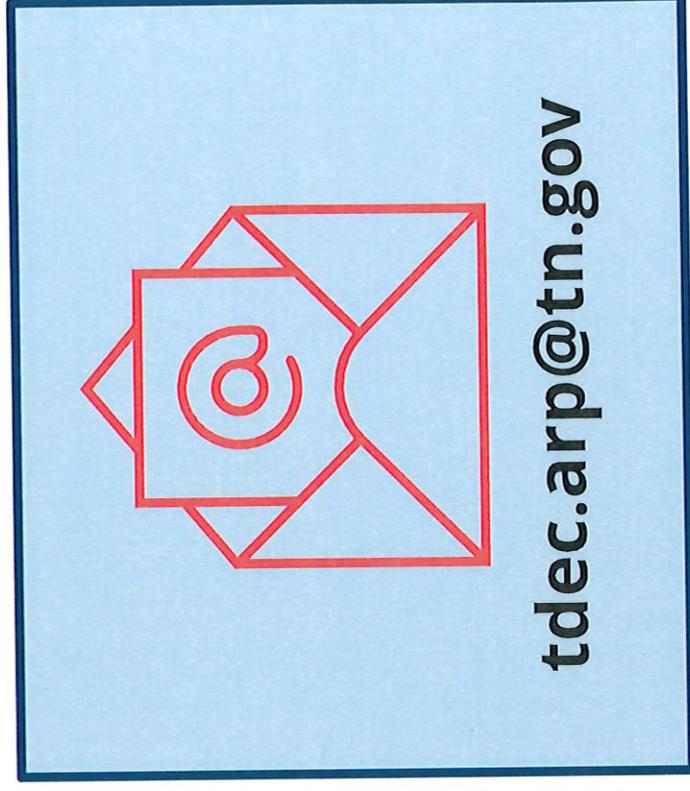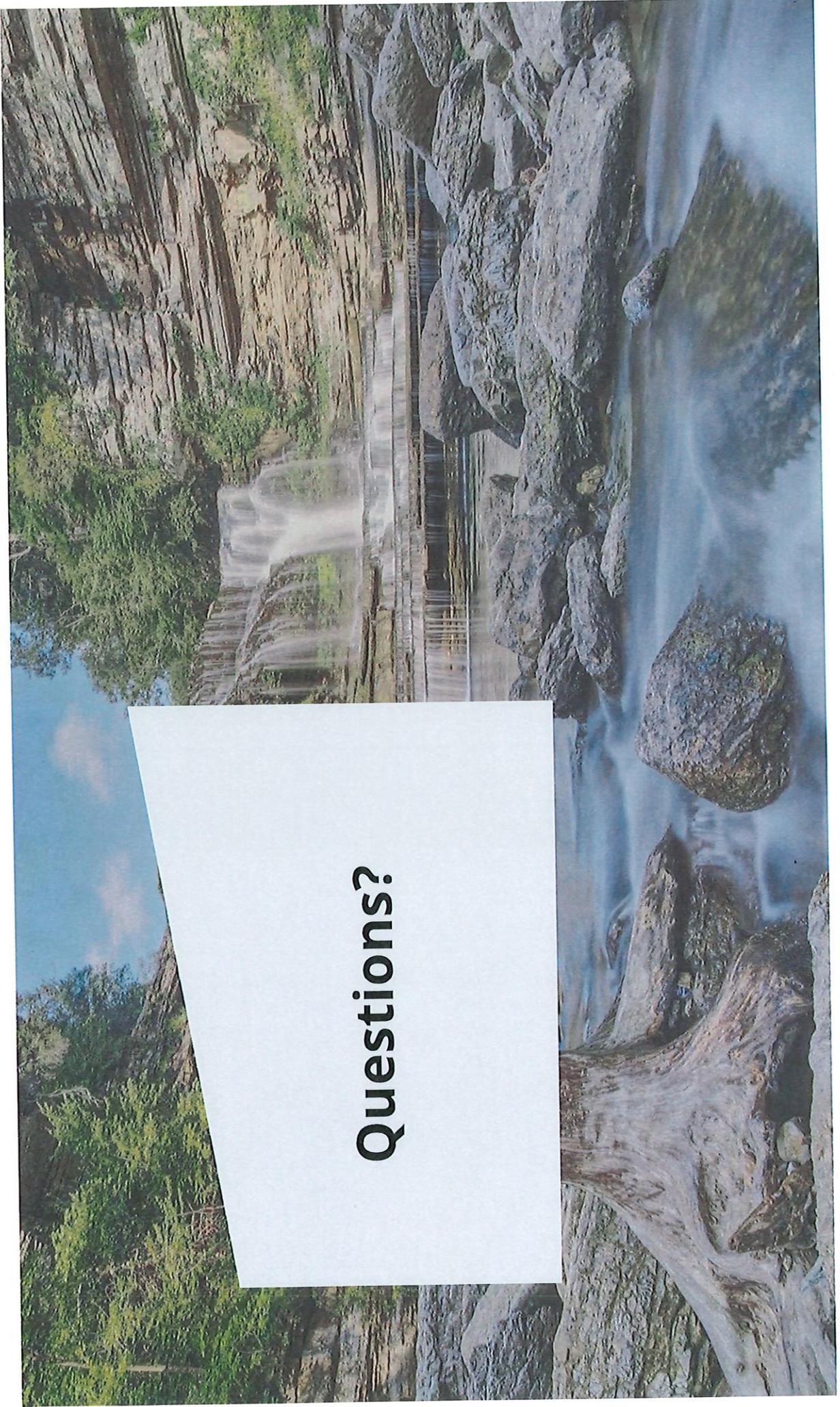
Questions?
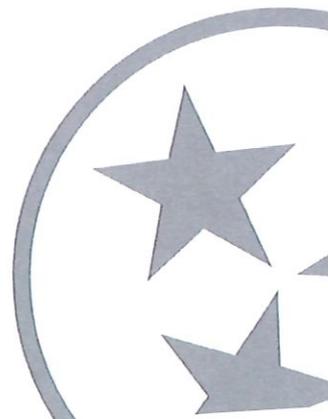
Competitive Grant Manual: Water Reuse

State Water Infrastructure Grant Program: American Rescue Plan

Tennessee Department of Environment & Conservation | March 2023

Table of Contents

Grant Overview

The federal American Rescue Plan Act (ARPA) authorized and appropriated American Rescue Plan (ARP) fiscal recovery funds to the State of Tennessee (the "state"). The state's Water Infrastructure Investment Plan (WIIP) describes how the state plans to invest these funds in water infrastructure projects. The state's Financial Stimulus Accountability Group (FSAG) designated $1.35 billion for the Tennessee Department of Environment and Conservation (TDEC) to administer for this purpose. This grant manual details how TDEC is allocating $200 million in the form of competitive grants. Funds are made available through the State Water Infrastructure Grants (SWIG) program to be used for eligible drinking water, wastewater, or stormwater projects that target investments in three areas: regionalization, water reuse, and resource protection. SWIG has designed three separate competitive grant programs for each of these target investment areas and has allocated $100 million for regionalization grants, $50 million for water reuse grants, and $50 million for resource protection grants. This grant manual describes the **water reuse** grant program.

Entities eligible to apply for these competitive grants must meet technical and administrative requirements and demonstrate a co-funding commitment before a grant can be awarded. Applications will be scored to determine suitability for funding. TDEC will award grants until the designated funding is exhausted. The state must obligate all ARP funds by December 31, 2024 to ensure all ARP funds are entirely spent by December 31, 2026.

State Goals and Priorities

These competitive SWIG investments are one opportunity to modernize, improve, and strengthen water infrastructure across the state. TDEC is focusing this competitive SWIG grant effort on the following goals:

- Provide safe, reliable, and affordable water, wastewater, and stormwater services to Tennesseans through promoting regional and collaborative approaches to water infrastructure challenges;
- Promote resiliency, plan for extreme weather events, and reduce nutrient strain on Tennessee's waterways through the beneficial reuse of water;
- Improve Tennessee community's stormwater challenges through the integration of resource protection activities; and
- Support strategic investments in water system challenges.

Applicants for this competitive grant should focus on the beneficial reuse of water.

3

Background

Initially, TDEC identified priority areas of emphasis in the WIIP[1]. In February of 2022, TDEC launched a non-competitive grant opportunity that provided an allocation to all counties and cities that own or operate a drinking water, wastewater, or stormwater system. Focusing on critical needs and priority areas prepares Tennessee's water infrastructure systems for long-term technical, financial, managerial, and environmental sustainability. To ensure the most critical aspects of a drinking water or wastewater treatment system are addressed, TDEC established a subset of these priority areas of emphasis for designation as critical need areas. With the non-competitive grant opportunity closed, TDEC is now turning to the competitive grant process.

Timeline and Review Process

This grant manual is for the competitive grant offering focused on Water Reuse, which is defined in the Eligibility section of this grant manual. The grant manuals for the water reuse and resource protection competitive grant opportunities may be found on the TDEC ARP website.

The following is a draft timeline of the application and review process for this competitive grant offering. This is subject to change and extensions may be granted solely at TDEC's discretion.

TIMELINE AND REVIEW PROCESS

| March 2023 Grant Manuals Released | May – August 2023 Grant Workshops & Engagement Sessions | August – October 2023 Review, Evaluate, & Recommend Awards | February 2024 All Contracts Executed |

| May 1, 2023 Open Application Solicitation | August 1, 2023 Close Application Solicitation | October 20, 2023 Announce Awards |

TDEC will review, evaluate, and recommend grant awards following the closure of the application solicitation, and will announce awards in approximately **60** days after the application is closed. To prevent conflicts of interest and maintain the integrity of the

---

[1] See Section V of the WIIP for a complete description of priority areas.

competitive process, TDEC is unlikely to engage with grant applicants between the application solicitation opening and announcement of awards and may only contact applicants to clarify minor points within the proposal. Grant applicants are required to have a full and complete application submitted by the application solicitation closing and may not be able to modify or add to an application between submission and announcement of awards. TDEC will rank and review applications based only on the information included in the application at the time of submission. Incomplete applications may not be considered for funding.

TDEC will strive to execute contracts within **120** days of grant award announcements. Each contract will be individualized based on the proposed scope of work and project timelines. Grant applicants should anticipate project management discussions with TDEC during this time, including but not limited to an overview of the award, scope of services, project timelines, terms and conditions (which are set at the time of grant award), subcontracting, the budget, and the process for reimbursement of costs incurred. Applicants may be able to modify their application to ensure that the application and information within is ready for contract execution during the window between award announcement and contract execution.

REVIEW PROCESS

TDEC will review, evaluate, and recommend grant awards following closing the application solicitation.

Awards will be announced in approximately **60 days** following the competitive grant application closing.

Grant contracts will be executed within **120 days** of grant award announcements.

Eligibility

Grant Applicants

Eligible grant applicants include all counties and cities, water utility districts, and water utility authorities or similarly governed/authorized entities. For-profit water infrastructure systems may also be eligible if they apply in partnership with an eligible county, city, water utility district, or water utility authority serving as the lead grant applicant. Grant applicants must certify in the application that the system is either not under a state or federally mandated compliance order or is actively working to address any significant non-compliance.

Eligible grant applicants (i.e., grantees) may only lead the submission of a single grant application under the water reuse offering. Entities that are eligible to apply under the other competitive grant offerings (regionalization and resource protection) may submit additional applications under those solicitations. Approval for funding of a water reuse grant does not prohibit an entity from also applying for or receiving funding for a highly ranked application under regionalization or resource protection. TDEC reserves the right to consider the feasibility of executing projects under multiple grants, including the non-competitive grant offering, when determining awards.

Grantees are responsible for grant oversight and monitoring of activities. Grantees are also responsible for submitting progress updates as requested by TDEC and as required by the U.S. Department of Treasury (the "Treasury"). Activities associated with these requirements are administrative expenses and may be funded using grant funds not to exceed 6% of the total grant contract. For additional information about oversight, monitoring, and progress update submittal, see the Funding Conditions section of this grant manual.

Eligible Activities

Water reuse is the practice of capturing water that would otherwise be discarded, treating it to an appropriate level, and reusing it for beneficial purposes.

- **Non-Potable Water Reuse:** Water is captured, treated, and used for non-drinking purposes, such as toilet flushing, clothes washing, and irrigation.
- **Potable Water Reuse:** Water that will be used for drinking water.

These practices are inherently eligible in both the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs. Certain legal assistance activities are allowed under CWSRF and DWSRF eligibility; please refer to the eligibility guidance[2] for additional information.

Note that stormwater reuse activities will fall under the resource protection competitive grant. All grant activities must occur within the State of Tennessee to be eligible for this funding opportunity.

---

2 Overview of CWSRF Eligibilities: https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf; Overview of DWSRF Eligibilities: https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_versioni.pdf

Project Award Type

The project award type dictates the extent of activities and deliverables. For non-potable water reuse, there are four project award types: Investigation and Planning; Investigation, Planning, and Design; Planning, Design, and Construction; and Construction only. For potable water reuse, there are two project award types: Investigation and Planning; and Investigation, Planning, and Design. *This is because the State of Tennessee requires a pilot prior to engaging in potable reuse activities, and those pilot activities are considered Investigation and Planning.* Proposals must identify the eligible activities, clearly articulate whether the grant applicant or any partners on the application are responsible for certain activities, and how those activities fall into one project award type.

Funding

TDEC has allocated **$50M toward water reuse** in this competitive grant offering. TDEC reserves the right in its sole discretion to award funds for grants that total below, at, or above the funding allocation. TDEC may also dedicate more or less funds to the regionalization and/or resource protection grant allocations based on the quantity and quality of applications received for each grant program.

TDEC has developed **proposal budget maximums** based on the project award type for a proposal. **The proposal budget maximum includes funds requested for reimbursement and applicable co-funding, as described in the next section. The proposal budget maximums** by project award type are:

Project Award Type	Non-Potable Reuse	Potable Reuse
Investigation and Planning	$500,000	$3 Million
Investigation, Planning and Design	$1.5 Million	$7 Million
Planning, Design and Construction	$6.5 Million	N/A
Construction Only	$5 Million	N/A

Eligible grant applicants may apply for up to this dollar amount under an application for an eligible water reuse project. Please note that TDEC may select parts of a proposal for funding and may offer to fund more or less than the eligible grant amounts or a larger or smaller amount than requested in the application.
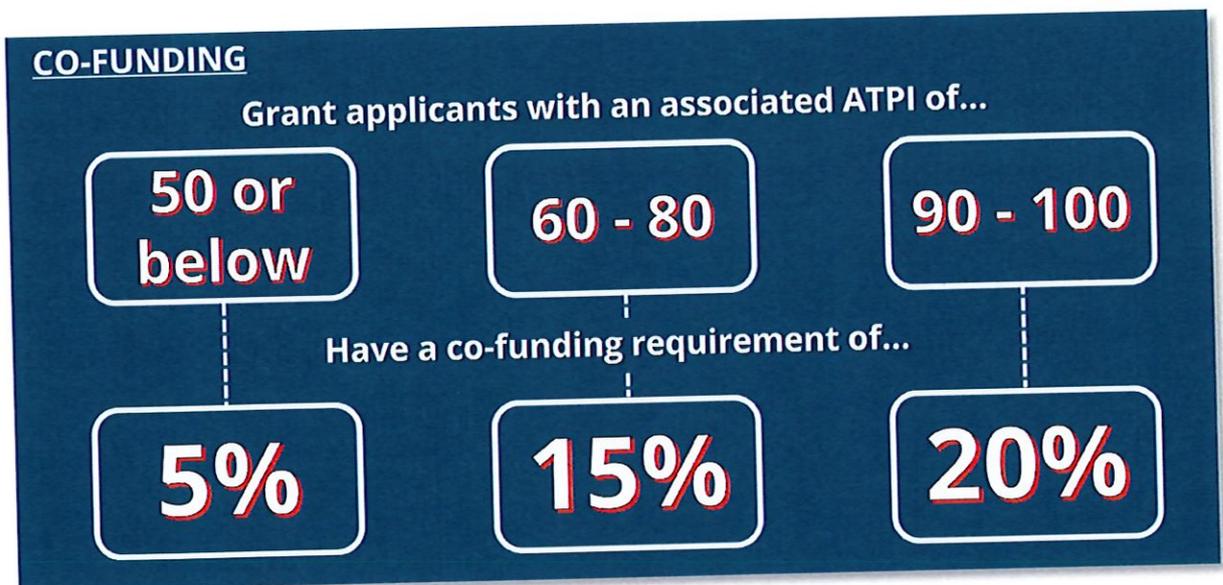
The following table demonstrates the general categories of allowable activities:

Professional Fee, Grant, and Award	Capital Purchase
Investigation to determine interest/viability of water reuse for industry, agriculture, or domestic water needs	Land Purchase for Easement
General Grant Admin	Construction
Acquisition Services for Land/Easement	Equipment Purchase
Review & Legal Fees	Construction Admin/Inspection
Engineering Design/Other Engineering Services	
Survey	Permits/Easement
Bidding Services	

When developing and submitting proposals, grant applicants must consider proposal budget maximums and co-funding requirements, detailed in the following section. A proposal's total project budget is the sum of the total state allocation and co-funding. Co-funding will be applied to each reimbursement request up to the total project budget.

Co-Funding

Co-funding requirements are applied to every competitive SWIG proposal. Co-funding requirements range from 5%–20%. Co-funding amounts are based on the 2022 Ability to Pay Index (ATPI), for the project area served (city or county scale).[3]

CO-FUNDING

Grant applicants with an associated ATPI of...

| 50 or below | 60 - 80 | 90 - 100 |

Have a co-funding requirement of...

| 5% | 15% | 20% |

---

3 ATPI represents a database of a database of a community's unique and socio-economic and financial data to determine their fiscal health and fiscal capacity.

For water reuse proposals, the required co-funding percentage will be based on the ATPI of the grant applicant. Grant applicants should indicate the required co-funding on the budget sheet; leveraging of additional funds should not be included in the budget worksheet but should be included in the grant application narrative. Both cash and third-party in-kind contributions are eligible to meet co-funding requirements. Co-funding requirements cannot be met through TDEC ARP non-competitive funds. Entities will need to demonstrate other funding sources leveraged to meet the co-funding requirements under this competitive grant solicitation.

Cash may consist of local ARP funds, State Revolving Fund loans, financial assistance grants and loans, cash reserves, revenue bonds, and public-private partnerships or sponsors. Other cash-value contributions include engineering plans and specifications developed on or after March 3, 2021.

Third-party in-kind contributions mean the value of non-cash contributions that may consist of goods or services, benefit a federally assisted project, and are contributed by a third party without charge. These may include project owner labor, equipment services, or material contributions. TDEC will consider using in-kind co-funding contributions provided an individual accountability report is completed and submitted with the grant application.

Treasury's Final Rule allows for the use of ARP funds as a match for other federal and non-federal grant programs where the costs are eligible under both programs. The entire project, including ARP dollars, is then subject to the requirements of those grant programs. Local or state ARP funds cannot be used as match for grant programs that restrict the use of federal funds to meet match requirements.

Administrative Use of Funds

Grant applicants are responsible for ensuring proper grant administration. Applicants may contract with consultants to administer the grant; however, legal liability of the terms and conditions of the grant remains with the grant applicant.

Up to 6% of a grant applicant's total grant contract may be used for reasonable and allocable administrative expenses. Administrative expenses may include grant application, project and proposal development and submittal, reporting, compliance assurance, monitoring, or direct or indirect costs associated with administering the grant award. Grantees may also be reimbursed for a reasonably proportionate share of the costs of audits required by and performed in accordance with the "Single Audit Act Amendments of 1996" as provided in 2 C.F.R. § 200.425.

Examples of Eligible Projects

Scenario A	Monroe County Water Authority wants to fund a pilot treatment unit to explore future potable water reuse.
Project application example	Monroe County Water Authority submits a $3 million proposal for the Investigation and Planning award type. Monroe County has an ATPI of 50, so its co-funding requirement is 5% ($150,000).
Funding scenario	• Total state allocation requested in this proposal: $2.85 million • Allowable Administrative Expenses: $180,000 (6% of $3 million) • Co-Funding Percentage: 5% • Required Co-Funding: $150,000 • Total Project Budget: $3 million with up to $180,000 available for administrative expenses and the remainder available for the project.

Scenario B	The City of Dekalb and the Dekalb Water Authority plan to expand their non-potable water reuse activities to include irrigation of new athletic fields. The Dekalb Water Authority owns and operates the wastewater treatment plant and the City of Dekalb oversees the end use of the reused water. The City and water authority need to develop plans and specifications and will construct them as a part of the project.
Project application example	The Dekalb Water Authority submits a $5 million proposal for the Planning, Design, and Construction project award type. The City of Dekalb has an ATPI of 80, so its co-funding requirement is 15% ($750,000).
Funding scenario	• Total state allocation requested in this proposal: $4.25 million • Allowable Administrative Expenses: $300,000 (6% of $5 million) • Co-Funding Percentage: 15% • Required Co-Funding: $750,000 • Total Project Budget: $5 million with up to $300,000 available for administrative expenses and the remainder available for the project.

Submission Guidelines

Each proposal should describe a single project that falls under a discrete type. Grant applicants should select the project award type that describes the maximum extent of activities proposed

10

within the proposal. The budget maximums by project award type are described in the Funding section of this manual.

Alignment with the definition of **water reuse** is critical in determining suitability for funding. Therefore, grant applicants must demonstrate that their proposal aligns with the definition of water reuse and meets all activity eligibility requirements, as described in this grant manual's Eligibility section. Applicants will develop and submit this narrative as a part of the proposal submission through the Grants Management System (GMS).

Format and Checklist

Applicants will complete a grant application using TDEC's online GMS. The GMS allows grants administration partners to affiliate with the grant applicant to prepare the application for the legally authorized representative's review and electronic signature. Signees other than the executive officer or mayor must include a resolution from the applicant's governing body giving authority to sign for the applicant.

The GMS will include the grant manual, application, project proposal narrative, budget worksheets, and document upload capability. It will be designed to ensure that only complete applications may be submitted for TDEC review and approval. The GMS will also serve as the portal for submitting the required Title VI Pre-Audit Survey, Supplier Direct Deposit Authorization (SDDA), and future invoices for reimbursement requests and state approvals.

The solicitation will announce the opening and closing dates of the application period as detailed in the Timeline section of this grant manual. Long-term access to the GMS is possible with user login and affiliations. More information about this system will be available to grant applicants during the grant workshops and on the website.

Grant Proposal Requirements

The following information is required as part of a complete grant proposal.

 A. **Designated grant applicant**
  1. Identification of lead grant applicant,
  2. Verify no current, federal, or state mandated compliance orders exist or if there are compliance issues, the entity is either working with state and federal officials to address concerns or utilizing this project to address concerns,

3. Identification of all partners party to the grant proposal, if applicable, and

4. Demonstration of interjurisdictional agreements or letters of support from all entities identified in (3), if applicable.

B. Description and narrative of the overall proposal, including:

1. Project name

2. Narrative description of the project

3. Water Reuse type

   a. Non-Potable Water Reuse

   b. Potable Water Reuse

4. Project award type

   a. Investigation and Planning

   b. Investigation, Planning, and Design

   c. Planning, Design, and Construction

   d. Construction Only

5. Detailed scope of work for this grant

   a. Activities and milestones

   b. Timeline

   c. Start and completion dates of construction (if applicable)

6. Total Project Information

   a. Total project budget

   b. Total project timeline, including start and completion dates for all project phases

   c. Additional funding sources committed to the project (other than the co-funding for this grant opportunity)

7. ATPI of lead applicant (C1 of scoring rubric)

8. Description and distribution of partner responsibilities, if applicable

9. Current ability to withstand drought (C2 of scoring rubric)

10. Current assimilative capacity of receiving stream (C3 of scoring rubric)

C. Uploaded Tennessee Infrastructure Scorecard(s) for lead applicant and any partners (informs C1 of scoring rubric)

D. Overall grant budget, including:

1. Distribution of funds for lead applicant and any partners,

2. Total administrative expenses, and

3. Budget for project.

E. Co-funding requirements

F. Proposal details (maximum response - 250 words per question)

1. How did the applicant utilize non-competitive funds to address system critical needs? (C4 is scoring rubric)
2. Provide demonstration of a sufficient end market for the reuse water. Upload any supporting documentation to demonstrate the end market. (C5 in scoring rubric)
3. Describe historical enhanced public engagement and outreach efforts and if such efforts are planned for this project. (C6 in scoring rubric)
4. How does the proposal align with the definition of water reuse? (P1 in scoring rubric)
5. Describe the need for water reuse efforts. What are the specific drivers for water reuse? (P2 in scoring rubric)
6. How much potable water is anticipated to be saved/offset through water reuse activities? This should be reported as a percentage of total potable water utilized by the entity. (P3 in scoring rubric)
7. Is protection of an impaired stream a part of the project outcomes? If yes, describe in detail how the project outcomes will positively impact an impaired stream for its specific impairment. (P4 in scoring rubric)
8. Describe any past enhanced public education and outreach efforts conducted by the lead applicant. (P5 in scoring rubric)
9. Are project activities resilient, sustainable, environmentally innovative, and green according to EPA guidance? Identify the percentage of the project budget associated with these components. (P6 in scoring rubric)

G. **Technical Project Information**
   1. Investigation and Planning Project
      a. Detailed individual project budget
      b. Maps of the area of interest and location of activities
      c. Detailed schedule for the project which includes deliverable dates:
         i. Engineering Agreement within 60 days of grant award
         ii. Preliminary engineering report (or facilities plan)
   2. Investigation, Planning, and Design Project
      a. Detailed individual project budget
      b. Maps of the area of interest and location of activities
      c. Detailed schedule for the project which includes deliverable dates:
         i. Engineering Agreement within 60 days of the grant award
         ii. Preliminary engineering report (or facilities plan)
         iii. Plan of Operation(s) for every individual project where a new facility is planned, or expansion or upgrade of the existing facility
         iv. Engineering plans and specifications

13

       v. List of required permits (as needed for plans approval)

3. Planning, Design, and Construction Project
   a. Detailed individual project budget
   b. Maps of the area of interest and location of activities
   c. Detailed schedule for the project which includes deliverable dates:
      i. Preliminary engineering report (or facilities plan)
      ii. Plan of Operation(s) for every individual project where a new facility is planned, or expansion or upgrade of the existing facility
      iii. Engineering plans and specifications
      iv. Project start of construction
      v. Projected Initiation of Operations
      vi. Operation and maintenance manual on or before the date
      vii. Complete construction
      viii. List of required or approved permits (as needed)
      ix. Site certification or letter in lieu of for the project (as needed)

4. Construction Only Project
   a. Detailed individual project budget
   b. Maps of area of interest and location of activities
   c. Preliminary engineering report(s) (or facilities plan)
   d. Engineering plans and specifications
   e. Detailed schedule for each project which includes deliverable dates:
      i. Plan of Operation(s) for every individual project where a new facility is planned, or expansion or upgrade of the existing facility
      ii. Projected start of construction
      iii. Initiate operation on or before the date
      iv. Operation and maintenance manual on or before the date (if applicable)
      v. Complete construction on or before the date
      vi. List of required or approved permits (as needed)
      vii. Site certification or letter in lieu of for each project (as needed)

Application Evaluation

Proposal Priority Ranking

All grant applications will be ranked to determine the suitability of funding. TDEC may not engage with grant applicants to answer specific questions about projects or proposals between the application solicitation opening and the announcement of awards. TDEC will not allow grant

applicants to revise or add to applications following submission. Proposals will be reviewed and ranked based on the merits of the application as submitted. Incomplete applications may not be eligible for funding.

TDEC will assemble a lead panel of three (3) subject matter experts to review, rank, and recommend proposals for funding. Other subject matter experts may be included in review discussions or asked to contribute specific feedback necessary for completing the reviewing, ranking, and recommending process. Proposals will be reviewed and ranked relative to other proposals within the project award type following close of the application period. Proposals will not be ranked as they are received. TDEC aims to dedicate 50% of the overall funding for this competitive grant to proposals involving construction (Planning, Design and Construction and Construction Only project award types) and 50% of the overall funding to non-construction proposals (Investigation and Planning and Investigation, Planning and Design).

Proposals will be reviewed and ranked to assess the most funding-worthy projects. Within each row (section) of the scoring rubric, a proposal will receive a score ranging from 0 to the maximum available points, using whole numbers. Proposals with the highest total points at the end of scoring will be considered for funding. Each proposal will be evaluated using the following scoring rubric:

Section	Criteria	Maximum Available Points
		40
	COMMUNITY / SYSTEM CONSIDERATIONS	
C1	Technical, managerial, and financial (TMF) capacity of applicant • 0 points for inadequate TMF capacity • 5 points for adequate TMF capacity • 10 points for exceptional TMF capacity	10
C2	Current drought capacity • 1 point for current drought capacity adequate to withstand drought • 3 points for current drought capacity inadequate to withstand extreme drought • 5 points for current drought capacity inadequate to withstand mild drought	5
C3	Current assimilative capacity of receiving stream • 1 point for high potential for increased wasteload allocation • 3 points for moderate potential for increased wasteload allocation	5

15

	• 5 points for low potential for increased wasteload allocation	
C4	Use of non-competitive funds to address system critical needs • 0 points for significant critical needs identified and not addressed • 5 points for critical needs identified and addressed to the minimum extent • 10 points for no critical needs identified or critical needs identified and addressed above and beyond minimum requirements	10
C5	Demonstration of end market for produced water • 0 points for no end market identified • 5 points for end market identified	5
C6	Historical demonstration of enhanced public education and outreach • 0 points for no historical demonstration • 3 points for adequate historical demonstration • 5 points for exceptional historical demonstration	5
PROPOSAL CONSIDERATIONS		**60**
P1	Alignment with definition of water reuse • 0 points for inadequate alignment with definition • 5 points for adequate alignment with definition • 10 points for exceptional alignment with definition	10
P2	Demonstration of drivers for water reuse activities, including consideration of drought capacity and the assimilative capacity of the receiving stream • 0 points for no demonstration of drivers • 10 points for demonstration of minor drivers • 20 points for demonstration of major drivers	20
P3	Potable water that will be offset by reused water • 0 points for 0% potable water offset • 3 points for 1-10% potable water offset • 5 points for 11% or greater potable water offset	5
P4	Project outcomes will positively impact an impaired stream for the specific impairment issue • 0 points for no positive impact on an impaired stream • 10 points for impact on an impaired stream	10
P5	Plan for enhanced public education and outreach • 0 points for no enhanced plan • 3 points for adequate enhanced plan • 5 points for exceptional enhanced plan	5
P6	Project activities are defined as resilient, sustainable, environmentally innovative and green according to EPA guidance	10

• 0 points for 0% of project costs associated with these components • 3 points for 1-10% of project costs associated with these components • 5 points for 11-20% of project costs associated with these components • 7 points for 21-30% of project costs associated with these components • 10 points for 31% or greater of project costs associated with these components	
MAXIMUM AVAILABLE POINTS TOTAL	**100**

The assessing panel will recommend funding proposals based on the evaluation, using the top-scored proposals up to the funding maximum. TDEC may in its sole discretion consider feasibility of project/proposal completion and diversity of project types, applicants, and geographic distribution in making final funding recommendations. TDEC may not award funds to proposals that score below a 70 out of 100 total points. Final funding decisions will be made by TDEC leadership and published online. Funding decisions are final at time of award announcement and publication.

Entities with applications that were not awarded may engage in a due process request by submitting a written request to the Commissioner within ten (10) days of award announcements. Following written request, TDEC will provide additional details regarding the grant application to the entity. TDEC may provide these additional details in writing or in a meeting.

Proposal Review

TDEC will comprehensively review all complete and eligible grant applications, including all required supporting documentation. Applications will be evaluated based solely on the data provided; therefore, project eligibility, co-funding documentation, completeness, and accuracy are essential. Each grant applicant is responsible for submitting all relevant and factual information with the application. Funding will be awarded based on the merits of the applications. Please note that TDEC may select parts of a proposal for funding and may offer to fund less than the eligible grant amounts or a smaller amount than requested in the application.

Applicants must demonstrate how they will meet co-funding requirements and validate the feasibility of project completion within the performance period. TDEC will preliminarily conduct

Resource Protection Grant Funding

$50 million total in funding will be awarded to resource protection grants

Maximum Proposal Budgets per Project Award Type:

Project Award Type	Proposal Budget Max
Investigation and Planning	$1 Million
Investigation, Planning and Design	$2 Million
Planning, Design and Construction	$5 Million
Construction Only	$5 Million

The proposal budget maximums represent a proposal's total project budget, which includes the grant amount (reimbursable) and applicable co-funding.

TN

Co-Funding Requirements

Co-funding is a requirement of the Competitive Grant Program

Co-funding amounts:

- Co-funding amounts are based on the 2022 Ability to Pay Index (ATPI) for the project area served
- The required co-funding percentage will be based on the ATPI of the grant applicant
- No co-funding reductions

Grant applicants with an associated ATPI of....

< 60	60 - 80	90 - 100

Have a co-funding requirement of....

5%	15%	20%
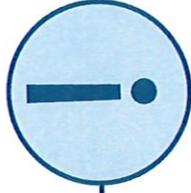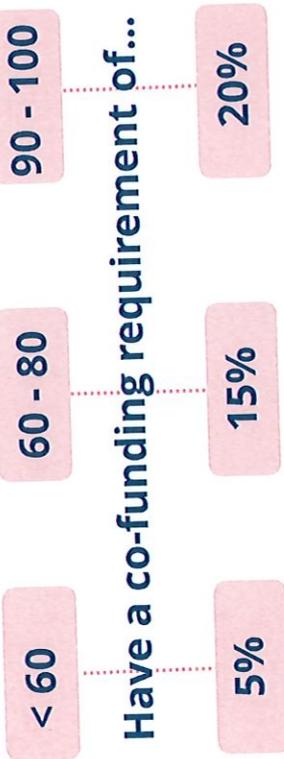
Applicants may submit a written request for an **ATPI exemption** if they believe the specific population served by the **project differs from** the overall **city/county ATPI**.

- Email tdec.arp@tn.gov by June 16th
- TDEC will assess and respond by July 7th

Co-Funding Sources*

Cash Reserves

Cash may consist of local ARP funds, SRF loans, financial assistance loans, cash reserves, revenue bonds, and public-private partnerships or sponsors. Other cash value contributions include engineering plans developed on or after March 3, 2021.

Third-Party Funds

Third-party in-kind may include project owner labor, equipment services, or material contributions. TDEC will consider using in-kind co-funding contributions if an individual accountability report is completed and submitted with the application.

*Note Treasury Rule

Treasury's Final Rule allows for the use of ARP funds as a match for other grant programs where the costs are eligible under both programs. The entire project is subject to the requirements of those grant programs. Local or state ARP funds cannot be used as match for grant programs that restrict the use of federal funds to meet match requirements.

16

Resource Protection Funding Eligible Activities

Eligible Activities for Grant Funding Requests:

Professional Fee, Grant, and Award	Capital Purchase
Planning for restoration of permanent riparian buffers, floodplains, or wetlands	Land Purchase for Easement
General Grant Admin	Construction
Acquisition Services for Land/Easement	Equipment Purchase
Review & Legal Fees	Construction Admin, Inspection, & Long-term Monitoring
Engineering Design/Other Engineering Services	
Survey	Permits/Easement
Bidding Services	

Administrative Use of Funds:

Up to 6% of a grant applicant's total grant contract may be used for reasonable and allocable administrative expenses.

Administrative Expense Examples
Project and proposal development and submittal
Reporting
Compliance assurance
Monitoring of grant funds
Direct or indirect costs associated with administering the grant award

TN

Example Application Scenario #1

Scenario: King County is challenged by streambank erosion and flooding, which leaves its wastewater system and infrastructure vulnerable to failure. To address these concerns, King County seeks to assess its wastewater system and streambanks to understand vulnerable weak points, consider mechanisms to stabilize streambanks, slow erosion, and enhance flood resiliency. This qualifies as an **infrastructure resilience** project.

Funding Scenario:

- Total project budget: $2 million
- Co-funding percentage: 5%
- Required co-funding: $100,000
- Allowable administrative expenses: $120,000 (6% of $2 million)
- Total grant dollars requested: $1.8 million

Project Application Example:

- King County submits a $2 million proposal for the Investigation, Planning, and Design award type
- King County has an ATPI of 50
- King County has a co-funding requirement of 5% ($100,000)

TN

Example Application Scenario #2

Scenario: The City of Williamsburg is interested in partnering with a local non-profit to undertake green and gray infrastructure upgrades to their managed stormwater system. The proposed activities are expected to enhance the water quality of their watershed and reduce risks posed by extreme weather events such as flooding. This qualifies as a **stormwater management** project.

Project Application Example:

- The City of Williamsburg submits a $5 million proposal under the Planning, Design, and Construction award type
- Williamsburg serves as lead applicant with the local non-profit as a partner
- The City has an ATPI of 100
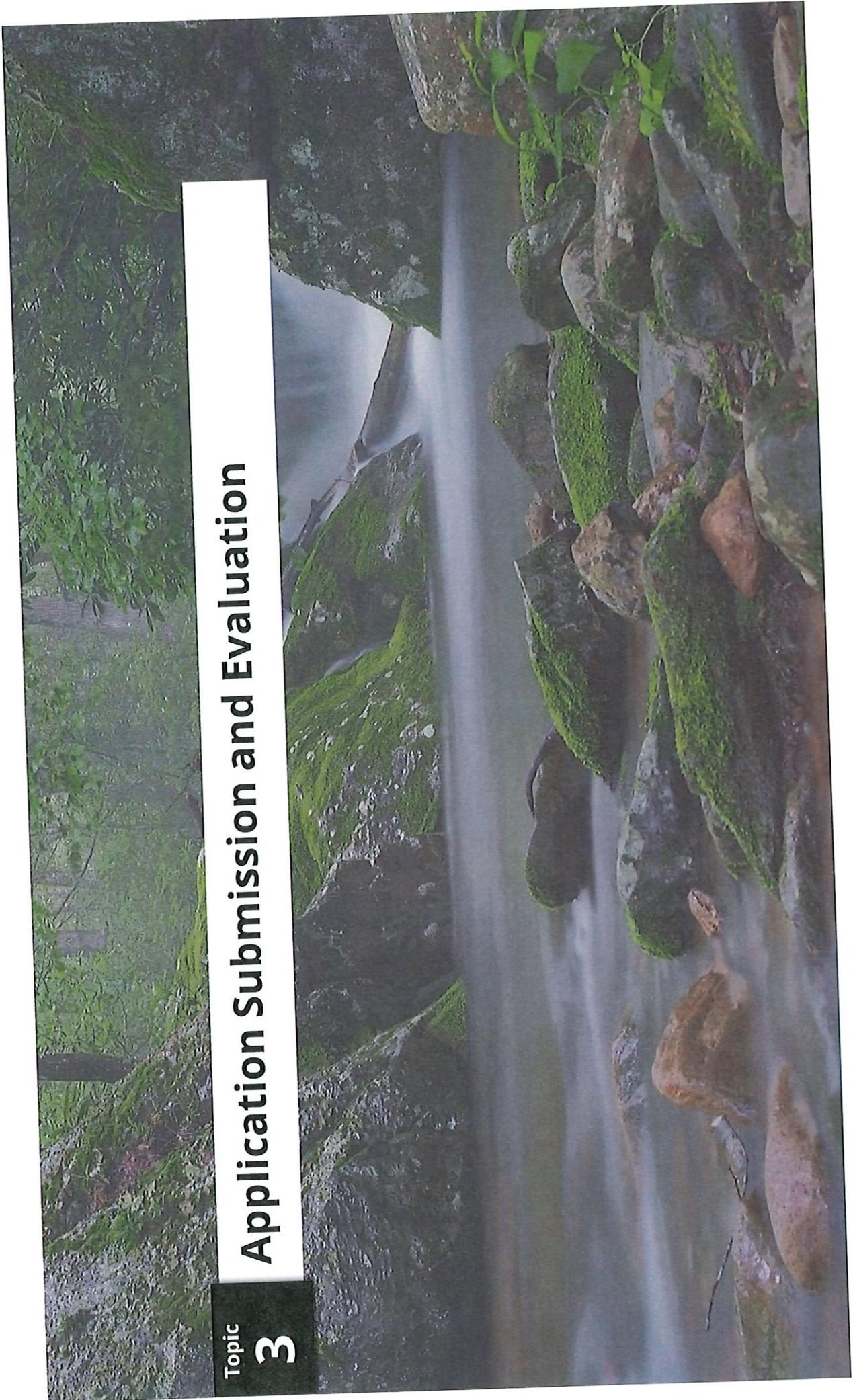- Williamsburg has a co-funding requirement of 20% ($1 million)

Funding Scenario:

- Total project budget: $5 million
- Co-funding percentage: 20%
- Required co-funding: $1 million
- Allowable administrative expenses: $300,000 (6% of $5 million)
- Total grant dollars requested: $4 million

Topic
3

Application Submission and Evaluation

Application Submission Guidance

Alignment with the definition of resource protection is critical in determining suitability for funding

- Grant applicants must demonstrate that their proposal aligns with the definition of resource protection and meets all activity eligibility requirements

While specific **activities may be eligible** under the resource protection grant, applicants should consider whether the respective project would make a **compelling and competitive case** in comparison to other proposals

When determining which project(s) and grant program(s) to apply for, applicants should view the proposal scoring rubrics and **select the path that would give the application the most points**

TN

Grants Management System

- All components of the application are housed within GMS. It is designed to ensure that **only complete applications may be submitted** for TDEC review and approval

- **GMS allows grants administration partners** to affiliate with the grant applicant to prepare the application for the legally authorized representative's review and electronic signature

- GMS will also serve as the portal for submitting the required Title VI Pre-Audit Survey, Supplier Direct Deposit Authorization (SDDA), and future invoices for **reimbursement requests** and state approvals

TN Department of
Environment &
Conservation

TDEC Grants Management System

Welcome to the TDEC Online Grants Management System! We are excited to offer a more streamlined and easier way to submit applications and grants management for funded projects.

How to Use the System

The first step is to register as an individual and affiliate with an organization by clicking the button below labeled: Register Here. Once you have registered, you can log on anytime to apply for funding opportunities, review active grants, view past submissions, and submit reimbursements and reports for funded projects.

New to the system?

Register here

How to Register Tutorial Video

Login

Email: Enter Email

Password: Enter Password

Login

Forgot Password?
How to Reset Your Password Video Tutorial

To learn more about us **click here**

Note: Long-term access to the GMS is possible with user login and affiliations.

Application Submission Components

Every grant application must contain the following components:

Designated grant applicant and partners (if applicable)
- Includes demonstration of conservation easement or other protective covenant for stream and wetland restorations, bank stabilization, or dam removal projects

Description and narrative of proposal
- Project award type, scope, timeline, budget, funding sources, ATPI, partnership

Overall grant budget
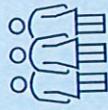
Co-funding requirements

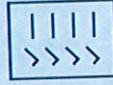Proposal details – 250-word responses to specific questions

Technical project information – varies by project award type

23

Application Evaluation Methodology

Proposals will be evaluated using a **scoring rubric** based on a 100-point system. Proposals will be ranked relative to other proposals based on the suitability of funding.

The scoring rubric consists of **Community/ System** Considerations and **Proposal** Considerations.

Proposals with the highest total points at the end of scoring for each grant will be considered for funding. TDEC may not award funds to proposals that score below a 70.

TDEC may not engage with grant applicants during the application evaluation period. Grant applicants are not allowed to revise or add to applications following submission. Incomplete applications may not be eligible for funding.

TDEC will form a panel of three subject matter experts for each grant to review applications.

TDEC will conduct an **administrative review** of each application for **completeness, accuracy, and eligibility** before initiating the technical evaluation.

TN

Evaluation Criteria

Community/System Considerations – 45 Points

Criteria	Max Points
Investment in a disadvantaged community- ATPI	10
Historical demonstration of successful resource protection projects	10
Historical demonstration of enhanced public education and outreach	10
Project is on an impaired stream or within the HUC 12 of a stream(s) not supporting all its designated uses and project activities are directly connected to designated use support and actions will measurably improve water quality	15

Proposal Considerations – 55 Points

Criteria	Max Points
Alignment with definition of resource protection – inadequate, adequate, or exceptional	10
Demonstration of the need for resource protection – none, minor, or major need	20
Demonstrated project outcomes (options on next slide)	20
Plan for enhanced public education and outreach – no, adequate, or exceptional	5

TDEC aims to dedicate 70% of funding to proposals involving construction and 30% of funding to non-construction proposals.

25

Evaluation Criteria: Demonstrated Project Outcomes

Project Type	Criteria
Stormwater Management	• Option 1: Expected increase in pervious land cover at the site through native vegetation, stream buffers, stream or wetland rehabilitation or the like • Measured by % increase in scale
Stormwater Management	• Option 2: Anticipated increase of runoff captured and treated through infiltration, evapotranspiration, or reuse on-site in a 1 year, 24-hour storm event. • Measured in inches
Stream or wetland restoration, bank stabilization, or dam removal projects	• Restoration Potential – minimal, moderate, high • Activities considered: buffer zone restoration, a conservation easement, and taking a wetland or stream from a not-functioning to a minimum of functioning-at-risk condition
Infrastructure Resilience	• Prediction of enhanced resilience to flooding or other weather-related disasters and positive impacts on infrastructure operations • No, minimal, moderate, or high prediction

TN

Application Evaluation Considerations

TDEC may consider **feasibility** of project/proposal completion and **diversity** of project types, applicants, geographic distribution in making final funding recommendations.

Applicants must demonstrate how they will meet **co-funding requirements** and validate the feasibility of project completion within the performance period.

Please note that **TDEC may select parts of a proposal for funding** and may offer to fund less than the eligible grant amounts or a smaller amount than requested in the application.

Applications will not be reviewed before the deadline; there is no incentive to submit applications early. **We advise applicants to take any extra time to review the application for accuracy before submitting,** as revisions or additions are not allowed following submission.

27

TN

Grant Implementation

Grant Schedules and Requirements

TDEC is federally required to provide monitoring and oversight for its subrecipients; grantees should have the proper monitoring and oversight controls in place for its contractors and subcontractors.

Construction Requirements

- TDEC will require the submission of an authority-to-award (ATA) bid package from grant recipients before commencing construction

- Grantees must receive TDEC approval for preliminary engineering reports, construction documents, and other common materials before project close-out

- Site inspections will occur at the start, during, and completion of construction

GRANT SCHEDULES

The American Rescue Plan was signed into law on **March 11, 2021.**

➢ All grant contracts will have an effective date of **March 3, 2021.**

➢ Proposal schedules must establish the grant contract term with end date of **September 30, 2026.**

➢ All grant contracts will end by **September 30, 2026.**

➢ Proper close-out of all activities must be completed prior to **December 30, 2026.**

29

Procurement

Any procurement using competitive SWIG funds must be consistent with **state procurement standards** and **Uniform Guidance 2 CFR Part 200.D,** as applicable.

As subrecipients, grantees must also comply with 2 CFR 200.318-200.327.

Procurement must be made on a **competitive basis,** including using competitive bidding procedures, if purchases are above the Simplified Acquisition Threshold ($50,000). Local policy must be followed if more stringent.

Instances where competitive procurement is not practical must provide supporting documentation including a **written justification** of the decision and process.

Further procurement guidance can be found in TDEC's American Rescue Plan Grant Implementation Guide

Reimbursement

Grantees may request reimbursement only for **costs incurred during the grant contract term.**
Requests shall be for **reasonable & necessary expenditures** required in the delivery of service described in the contract and identified in the project budget.

Supporting documentation will be **required** to substantiate the costs requested for reimbursement. This may include purchase orders, pay requests, invoices, and/or proof of payment.

Significant adjustments to a grant award budget will **not be possible** given the federal deadlines.
Up to **20%** of the total budget may be **redirected** from one line item to another budgeted line item; no-cost modification.

GMS Walkthrough

TDEC Grants Management System (GMS) Overview

Like the Non-Competitive Grant Program, applicants will use GMS to access the Competitive Grant application(s). GMS was outfitted with a few improvements:

- Required components, like the budget attachments, are more simplified and user-friendly

- Applicants are only required to input necessary information – the questions and prompts will change based on the project and award types selected

TN Department of Environment & Conservation

TDEC Grants Management System

Welcome to the TDEC Online Grants Management System! We are excited to offer a more streamlined and easier way to submit applications and grants management for funded projects.

How to Use the System

The first step is to register as an individual and affiliate with an organization by clicking the button below labeled: Register Here. Once you have registered, you can log on anytime to apply for funding opportunities, review active grants, view past submissions, and submit reimbursements and reports for funded projects.

New to the system?

Register here

How to Register Tutorial Video

Login

Email:

Enter Email

Password:

Enter Password

Login

Forgot Password?

How to Reset Your Password Video Tutorial

To learn more about us **click here**

Tip: *If accessing the GMS for the first time, please register. Click on the "Register here" button and review the registration tutorial video for additional support.*

33

TN

GMS Tip #1: Creating a new Resource Protection Application

Once logged in, navigate to the **Funding Opportunities** tab and identify the grant application associated with **Regionalization**

- Select **"Apply Now"** to begin a new grant application

TN Department of
Environment &
Conservation

Note: Please be sure to submit a request to affiliate with a registered organization before you apply for any grant. Click on the Submit Affiliation R Current session: You are logged in as Sunshine, City of, to switch your organization click the Switch Organization button on the top right.

For Grants System Help, contact TDEC.Grants@tn.gov. For application questions, please contact the Grant Program Contact listed in the application.Note: it is recommen

🔧 Submit Affiliation Request   📇 How to Affiliate Tutorial   📄 Procurement Guidelines   🔑 Change Password

Funding Opportunities   + 📋

DWR-ARP Water Reuse Grants State Water Infrastructure Grants (SWIG)

Deadline: 08/08/2023

Apply Now

DWR-ARP Resource Protection Grants State Water Infrastructure Grants (SWIG)

Deadline: 08/08/2023

Apply Now

My Applications

📝 IN PROGRESS (86)   ⚡ ACTIVE (86)   ✅ COMPLETED (6)

☐	#	Application ID	⬥ Grant Cycle	⬥ A
☐	1	2022-8899		D G
☐	2	2019-4651		L
				N

Requires Attention

⚙ PENDING (0)   ○ COMPLETED (0)   ⚙ PROCUREMENTS (PEN

#	Application ID	⬥ Activity Type

GMS Resource Protection Application Tabs

Below are the tabs you will find in GMS for resource protection grant applications:

1. Purpose & Overview
2. Timeline, Eligibility & Funding
3. Selection Criteria
4. Resources & Contact
5. Title VI Compliance
6. General Information
7. Budget & Attachments
8. General Proposal Information
9. Partner Information

10. Narrative Questions
11. Stormwater Management
12. Stream or Wetland Rehabilitation
13. Infrastructure Resilience
14. Authorization
15. Self Debarment Verification
16. Pre-Application Submission Authorization
17. Applicant Acknowledgments
18. Application Summary

Budget and Attachments Tab

The Budget and Attachments Tab is now simpler

- The questions and required inputs have been cleaned up

- The Budget Justification Worksheet is now a pop-up tab within GMS, rather than an Excel worksheet

---

2023-9465 (Sunshine, City of)

Application ID: 2023-9465 (Sunshine, City of)

TITLE VI COMPLIANCE   GENERAL INFORMATION   BUDGET AND ATTACHM

✓ Funding Conditions

Total Proposal Budget (in $)

Identify the total proposal budget for this proposal. This number may not exceed the total p

Project Award Type maximum:
- Investigation and Planning: $1 Million
- Investigation, Planning and Design: $2 Million
- Planning, Design and Construction: $5 Million
- Construction Only: $5 Million

Co-funding amount (in $)

Note: The co-funding amount is the co-funding percentage applied to the total proposal bu

Co-funding level (in %)

The required co-funding percentage will be based on the ATPI of the grant applicant and is

Total grant administration costs, not to exceed 6% of total proposal budget (in $)

Note: The sum of Proposal Administration Costs and Individual Project Management Costs

Total grant funds requested for this proposal (in $)

Identify the amount of grant funds requested for this proposal, considering proposal budge

Budget Worksheet Considerations

The following considerations apply to the budget worksheet.

The budget total should equal the total state allocation amount plus the Co-Funding a

PLEASE NOTE: Depreciation is not an eligible expense.

Budget page and Budget Justification

Grant Budget for 2023-9458 (Sunshine, City of)

Policy 03 Object Line-item reference	Expense Object Line-item Category (1)	Grant Contract	Grantee Match	Total Project
Enter Match % Requirement	0			
1,2	Salaries, Benefits Taxes			
4,15	Professional Fee, Grant and Award (2)			
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage and Shipping, Occupancy, Equipment, Rental and Maintenance, Printing and Publications			
11, 12	Travel, Conferences and Meetings			
13	Interest (2)			
14	Insurance			
16	Specific Assistance To Individuals			
17	Depreciation (2)			
19	Other Non-Personnel (2)			
20	Capital Purchase (2)			
22	Indirect Cost			
24	In-Kind Expense			
25	**Grant Total**			

(1) Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03 Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies. Appendix A

(2) Applicable details follows this page if line-item is funded

(3) A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement

Grant Budget Line-Item Detail

Save   Clear

General Proposal Information Tab

2023-9465 (Sunshine, City of)

Main

Notes

How to Create New Activity

Application Status: Draft

Application ID: 2023-9465 (Sunshine, City of)

Application Type: DWR-ARP Resource Protection Grants State Water Infrastructure Grants (SWIG)

TITLE VI COMPLIANCE   GENERAL INFORMATION   BUDGET AND ATTACHMENTS   GENERAL PROPOSAL INFO   PARTNER INFORMATION   NARRATIVE QUESTIONS   STORMWATER MANAGEMENT   STREAM OR WETLAND RI

∨ Applicant Info

This information should reflect the authorized representative for proposal.

UEI Number: Applicants may obtain their UEI Number by logging into their Grants.gov account, clicking the My Account link at the top of the page, clicking the Manage Profiles tab on the next screen and looking under the UEI column header for the UEI for each profile that is registered with SAM (SAM.gov).

Population Served: Enter population served, including all partner populations, covered in this proposal. For Regionalization and Water Reuse proposals. For Resource Protection proposals, please input "N/A." 501(c)(3) non-profits should

ATPI: Provide the ATPI for the Applicant. ATPI = Ability to Pay Index, available online. Cities and counties should use the applicable ATPI. Water utility districts or authorities should use the ATPI that best matches the population served. use the ATPI that best matches the city or county benefitting from the project.

* **Applicant Name:**

* **City:**

* **Zip:**

* **Email Address:**

* **UEI Number:**

* **ATPI:**

* **Mailing Address:**

* **State:**   Please Select   ›

* **Phone Number:**

* **DUNS Number:**

* **Population Served:**

* **Proposal Budget (in $):**

* **Description of Proposal**

Brief description of the overall proposal, including how the proposal aligns with the definition of resource protection and state goals and priorities. Proposal description should include overall proposal timeline.

Stormwater Management, Stream or Wetland Rehabilitation, and Infrastructure Resilience Tabs

- The **Stormwater Management** _OR_ **Stream or Wetland Rehabilitation** _OR_ **Infrastructure Resilience** tab will need to be completed based on applicant response to the "_Resource Projection Type_" question on the **General Proposal Info** tab.

Application Status: Draft

Application ID: 2023-9485 (Sunshine, City of)

Application Type: DWR-ARP Resource Protection Grants State Water Infrastructure Grants (SWIG)

< VE QUESTIONS | STORMWATER MANAGEMENT | STREAM OR WETLAND REHABILITATION | INFRASTRUCTURE RESILIENCE | AUTHORIZATION | SELF DEBARMENT VERIFICATION | PRE-APPLICATION SUBMISSION AUTHORIZATION | APPLICANT ACKNOWLEDGEMENTS | APPLICATION SUMMARY

* **Are you applying for a Stormwater Management Project?**

Yes ﹀

* **Scopes of Services**

Please provide a detailed scope of service for the proposed project, including project milestones, project schedule, and any other information deemed pertinent.

* **Project Award Type**

Please select Project Award Type based on the maximum extent of activities represented in this proposal.

○ Investigation and Planning
○ Investigation, Planning and Design
○ Planning, Design and Construction
○ Construction Only

< BACK

NEXT >

Save Draft   ✔ Submit

38

General Proposal Information Tab Cont.

Department of
Environment &
Conservation

New ~

Home

Main

Notes

2023-9465 (Sunshine, City of)

* ATPI:

* Proposal Budget (in $):

* Description of Proposal

Brief description of the overall proposal, including how the proposal aligns with the definition of resource protection and state goals and priorities. Proposal description should include overall proposal timeline.

* Resource Protection Type

Please Select   >

❯ Information from Lead Applicant

❯ Total Project Information

This proposal may represent just one piece of a larger water infrastructure project. If this proposal represents a piece of a larger project, indicate information about the full project below.

Total Project Budget:

**Total Project Timeline -
Start Date:**   mm/dd/yyyy 📅

**Total Project Timeline -
Completion Date:** mm/dd/yyyy 📅

Additional Funding Leveraged

❮ BACK

NEXT ❯

Save Draft   ❯ Submit

Resource Protection Narrative Questions Tab

Main

Notes

2023-9465 (Sunshine, City of)

How to Create New Activity

Application Status: Draft

Application Type: DWR-ARP Resource Protection Grants State Water Infrastructure Grants (SWIG)

Application ID: 2023-9465 (Sunshine, City of)

TITLE VI COMPLIANCE   GENERAL INFORMATION   BUDGET AND ATTACHMENTS   GENERAL PROPOSAL INFO   PARTNER INFORMATION   **NARRATIVE QUESTIONS**   STORMWATER MANAGEMENT   STREAM OR WETLAND RI

❯ Narrative Questions

* 1. Has the lead applicant successfully implemented resource protection projects previously? If yes, describe. (10 points) (C2 in scoring rubric)

250 words left

* 2. Describe any past enhanced public education and outreach efforts conducted by the lead applicant. (10 points) (C3 in scoring rubric)

250 words left

* 3. Is the project located on an impaired stream or within the HUC12 of a stream(s) not supporting its designated uses? If yes, will the project activities directly support reducing pollutants and improving water quality specific to causes of impairment? (15 points) (C4 in rubric)

250 words left

* 4. How does the proposal align with the definition of resource protection? (10 points) (P1 in scoring rubric)

Resource Protection Narrative Questions Tab Cont.

TITLE VI COMPLIANCE   GENERAL INFORMATION   BUDGET AND ATTACHMENTS   GENERAL PROPOSAL INFO   PARTNER INFORMATION

NARRATIVE QUESTIONS

and improving water quality specific to causes of impairment? (15 points) (C4 in rubric)

250 words left

* 4. How does the proposal align with the definition of resource protection? (10 points) (P1 in scoring rubric)

250 words left

* 5. Describe the need for resource protection efforts. What are the specific drivers for resource protection? (20 points) (P2 in scoring rubric)

250 words left

* 6. Are there enhanced public education and outreach efforts associated with this project? If so, please describe. (5 Points) (P4 in scoring rubric)

250 words left

‹ BACK

NEXT ›

Notes

Save Draft   ✔ Submit

GMS Best Practices

1 Upon opening your application, be sure to **affiliate the application** with an organization or entity

2 Be sure to click **"Save Draft"** frequently to ensure progress is not lost

3 Only **one person** may have the application open **at a time;** the other user(s) will be locked out

4 The system can be **slow** at times; try **refreshing** if the save button buffers for an extended period

5 Ensure you upload the correct documentation as documents **cannot be deleted** after upload

6 Utilize the **TDEC GMS Resources page** and reach out to the **TDEC GMS email** with any questions

42

Resources

- Resource Protection Grant Manual

- TDEC Grants Management System

- Competitive Grant Program
  Frequently Asked Questions

- State Strategic Projects Framework

- TDEC ARP Website

tdec.arp@tn.gov

TN
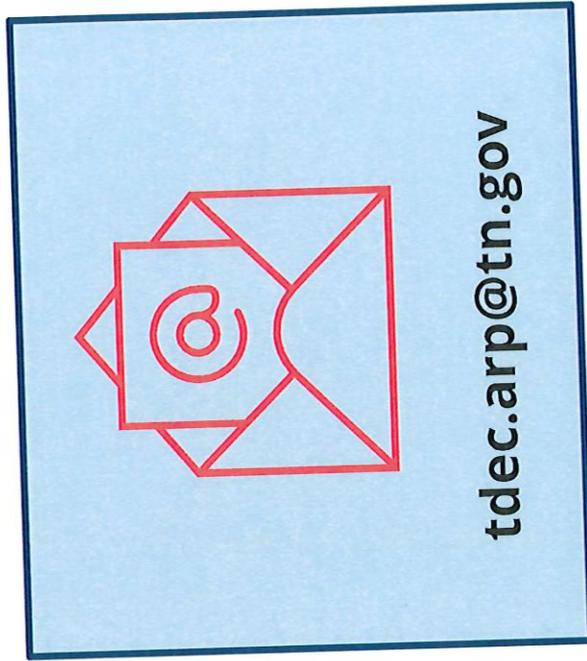
Feedback Survey

- Thank you for attending today's workshop!

- Please take 5 minutes to complete the **feedback form**.

- Your feedback helps us to plan for additional workshops and provide you with the most relevant resources and information.

- Contact our team with any specific questions at **TDEC.ARP@tn.gov**

https://forms.office.com/g/LLE0BcRxbY

TN

TDEC ARP COMPETITIVE GRANT PROGRAM WEBINAR

TN Department of Environment & Conservation

April 2023

Agenda

- **Opening**
  - Grant Program Overview
  - Grant Program Timeline
  - Grant Eligibility
- **Grant Manuals Overview**
  - Regionalization
  - Water Reuse
  - Resource Protection
  - Co-funding Requirements
  - Reimbursement
  - Scoring/Evaluation
- **Grant Application Information**
  - Application Submission
  - Application Evaluation
  - Resources

TN

2

Competitive Grant Program Overview

The **Competitive Grant Program** contains **$200 million** in funding as part of Phase II of the State's **Water Infrastructure Investment Plan,** which designates how the state will invest American Rescue Plan (ARP) fiscal recovery funds.

The $200 million in funding is allocated to three separate competitive grants:

Regionalization
$100 million

Water Reuse
$50 million

Resource Protection
$50 million

TDEC strongly recommends that eligible entities consider their ongoing projects and what additional projects are feasible within the federal ARP timeline.

All grant applications will be ranked to determine the suitability of funding. Proposals will be reviewed and ranked based on the merits of the application as submitted. Incomplete applications may not be eligible for funding.

3

an administrative review of each application for completeness, accuracy, and eligibility before initiating the technical evaluation. TDEC will further evaluate each application based on the scoring rubric. Proposals will be ranked and reviewed relative to other proposals in their project award type category and top-ranked projects will be recommended for funding.

Information submitted to the GMS will be the basis for grant contracts. Complete applications that include accurate budgets, project timelines and descriptions, and co-funding information are critical for timely grant execution and award. Cost estimates and timelines must be realistic and align with the ARP timeframe. Budget adjustments and grant contract amendments may not be possible. Following announcement of awards, TDEC staff may contact applicants to request additional information, discuss alternatives, or discuss the potential of leveraging other funding opportunities (e.g., SRF, BIL, CDBG). TDEC may also request additional information necessary for contract execution.

Funding Conditions

Grant Schedules

All grant contracts will have an effective date of March 3, 2021 (the American Rescue Plan was signed into law on March 11, 2021). Proposal schedules establish the grant contract term with end dates of September 30, 2026. All proposals must have an end date of September 30, 2026 to ensure proper close-out of all activities prior to December 31, 2026. All grant contracts will end by September 30, 2026.

> ### GRANT SCHEDULES
> The American Rescue Plan was signed into law on **March 11, 2021.**
> - ➤ All grant contracts will have an effective date of **March 3, 2021.**
> - ➤ Proposal schedules must establish the grant contract term with end date of **September 30, 2026.**
> - ➤ All proposals must have an end date of **September 30, 2026.**
> - ➤ All grant contracts will end by **September 30, 2026.**
> - ➤ Proper close-out of all activities must be completed prior to **December 30, 2026.**

Project schedules are dependent on the project award type and the project itself. Grant applicants and partners need to consider the feasibility of completing a project within the limits of the project award type. Project schedules should identify start dates, dates of major milestones toward project completion, and end dates based on the deliverables required. Grant applicants must provide the timeline and dates for submitting all deliverables as part of each project schedule.

TDEC may, in its sole discretion, amend the individual project schedule upon written request and for good cause shown. **Project schedules must include a start date and an end date. These items must be identified in the grant proposal.**

Reimbursements

A request to be reimbursed for the cost incurred for competitive SWIG grants shall include only requests for actual, reasonable, and necessary expenditures required in the delivery of service described in the grant contract and identified in the individual project budget. Supporting documentation will be required to substantiate the costs requested for reimbursement. This documentation may include purchase orders, pay requests, invoices, and/or proof of payment. Reimbursement shall not include any request for future spending without demonstrating cost incurred. Grantees may incur new obligations to carry out the work authorized in the grant contract and submit reimbursement requests only during the grant contract term. Grant contracts will have an effective date of March 3, 2021 and end on September 30, 2026. Grant applicants may elect to complete their final report early if all contract deliverables are complete and reports are submitted and approved.

REIMBURSEMENTS

Investigation & Planning	**80%**	The maximum allowable reimbursement of the **individual project budget** until the PER(s) or comparable deliverable is received and approved by TDEC.
Investigation, Planning & Design	**80%**	The maximum allowable reimbursement of the **planning fees** of an individual project budget until the PER(s) or comparable deliverable is received and approved by TDEC.
	80%	The maximum allowable reimbursement of the **design fees** of an individual project budget until the plans and specifications received and approved by TDEC.
Planning, Design & Construction, or Construction Only	**80%**	The maximum allowable reimbursement of the **design fees** of an individual project budget until the plans and specifications received and approved by TDEC.
	90%	The maximum allowable reimbursement of the **total individual project costs** until the construction is complete, the site has been inspected by TDEC (or designated agent) and is in proper operation, and TDEC has approved the project.

Procurement

Grant applicants are responsible for ensuring that any procurement using competitive SWIG funds, or payments under procurement contracts using such funds, are consistent with state procurement standards[4] and those set forth in the Uniform Guidance at 2 CFR Part 200 Subpart D, as applicable. When the terms of a grant award allow disbursements for the cost of goods, materials, supplies, equipment, or contracted services, such procurement must be made on a competitive basis, including using competitive bidding procedures, if purchases are above the simplified acquisition threshold. According to the State's Procurement Policy, acquisitions greater than $50,000 are required to be formally procured. At a minimum, this threshold should be applied for any transaction, except for when the local policy calls for formal procurements at a lower dollar threshold. Grant applicants must maintain documentation for the basis of each procurement for which a disbursement is made under to the grant award. In each instance where it is determined that using a competitive procurement method is not practical, supporting documentation must include a written justification for the decision and use of a non-competitive procurement process. Further, grant applicants are considered subrecipients, therefore, must comply with 2 C.F.R. §§ 200.318—200.327 when procuring property and services under a federal award.

For additional information, see U.S. Treasury's Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds and the Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards contained in 2 CFR Part 200.

Additional Funding Considerations

Some proposals may use grant or loan dollars in conjunction with ARP funds to complete an existing project or leverage multiple funding programs for a new project during the grant period. In some instances, the requirements of the companion grant or loan program (e.g., Davis-Bacon and Buy American provisions) would apply to the ARP project. For example, using funding from SRF in conjunction with ARP to complete a wastewater treatment plant expansion or construction of a new storage tank would necessitate the entire project adhering to the requirements of SRF. However, if the ARP-funded portion of the project is completed using only ARP funds and an SRF loan is sought for a new, distinct phase of the related infrastructure project, the SRF-specific requirements would not apply to the ARP-funded stage of the project.

---

4 State public contracting laws under Tennessee Code Annotated Title 4, Chapter 56; Title 12, Chapter 3; and Title 12, Chapter 4.

TDEC will base grant award totals on the estimates in the grant application budget section. TDEC recommends that applicants research the goods or services they want to purchase and obtain accurate pricing information before submitting their application. **Only goods and services identified in the application and authorized in the grant award will be funded.** Significant adjustments to a grant award budget will not be possible given the federal deadlines. If a grantee needs to adjust line-item expenses, funds may be redirected from one line item to another budgeted line item, up to 20% of the total budget. This action must be a no-cost modification. If projects exceed the grant budget, grantees should pursue an SRF loan or other financial assistance to complete the scope of work by the contract end date of September 30, 2026.

Federal Reporting Requirements

Funds described in the WIIP are federal funds awarded to the state (i.e., state fiscal recovery dollars). All grant recipients are subject to federal reporting requirements found in 2 CRF Part 200 and the Compliance and Reporting Guidance issued by the U.S. Treasury. All SWIG grant recipients must provide timely reports to TDEC during the grant award period. Grant contracts will provide detailed information on program progress and expenditure reporting requirements, reporting frequency, and reporting deadlines. Grant applicants are urged to review the U.S. Treasury Compliance and Reporting Guidance before applying for competitive SWIG funds to become familiar with these requirements, including any requirements that would apply to partners and subcontractors executing elements of a grant proposal. Grant recipients and partners must appropriately maintain accounting records for compiling and reporting accurate, compliant financial data in accordance with appropriate accounting standards and principles and applicable law. Grant applicants may be subject to state and local audits.

Monitoring and Oversight Responsibilities

Grantees are responsible for ensuring all fiscal recovery funds are used in compliance with U.S. Treasury's Final Rule. In addition, recipients should be mindful of any compliance obligations that may apply to other funding sources used in conjunction with these fiscal recovery funds or statutes and regulations that may independently apply to water infrastructure projects. Because it is a requirement for TDEC to provide monitoring and oversight for its subrecipients that participate in this grant program, it is incumbent on all subrecipients to have the proper monitoring and oversight controls in place for its contractors and subcontractors. This includes, but is not limited to:

- Reviewing invoices;
- Ensuring contractors and subcontractors are not federally debarred;
- Requiring that all rules and regulations are followed and complied with;
- Providing project management of the projects to ensure timelines and milestones are being met; and
- Obtaining the necessary reporting information needed by TDEC to comply with the U.S. Treasury's SLFRF guidelines.

Additional Considerations

All construction projects must secure and comply with all relevant state and federal permits before the project execution. Awarding of a grant does not indicate that a permit will be authorized and is not a substitute for required permits. Any construction project should evaluate the need for 401 water quality certification permits, coverage under the DWR construction General Permit, NPDES permits, and any other applicable state and federal permits.

TDEC will require the submission of an authority-to-award (ATA) bid package from grant recipients before commencing construction. Once TDEC completes the review and approval of the ATA bid package, the grant recipient and partners are authorized to award construction contracts subject to any approvals required by law. Grant applicants should schedule pre-construction conferences (PCC) before issuing a notice to proceed (NTP) for construction. TDEC will require a two-week notification before the PCC. Once the PCC is held, an NTP can be issued. construction start dates in the NTP must be within 120 days of the approval of the ATA bid package. If construction projects are not initiated before this date, TDEC may limit the remaining grant activity and/or revoke grant dollars. TDEC will not authorize construction until all permits have been secured. Bid packages will be reviewed for compliance with the competitive procurement process, federal requirements concerning minority business enterprises, equal employment opportunity documentation, bid tabulations, and other common, relevant information.

Construction project grantees must receive TDEC approval for preliminary engineering reports, construction documents, and other common, relevant material before the project closes out. All construction projects will be inspected at the start of construction, during construction, and at construction completion to ensure the project is executed according to plans and specifications, complies with permit requirements, and progresses in a timely manner. Construction projects

experiencing up to three-month delays in individual project schedules and at risk of missing deliverable dates should notify SWIG staff immediately. Grantees must justify the delay and request a project schedule modification. At TDEC's sole discretion, schedule modifications may be granted on a case-by-case basis, given that reasonable assurances are made that the project will be complete by September 30, 2026. No projects may extend construction activity or incur any expenses for reimbursement past September 30, 2026. Any projects not completed on time may forfeit remaining grant award dollars or risk not completing the requirements for construction projects that are provided in grant contracts.

Public Record

Any information affiliated with the solicitation for the State of Tennessee's SWIG funds, including information submitted by applicants, may be considered public record (other than what is not public record due to homeland security) and will be subject to disclosure to the public as required by Tennessee law. By applying for a grant, applicants agree to allow the use of the applicant and project information as provided in the application and grant documents to be published or distributed in various print or electronic media publications.

The application is also subject to the State of Tennessee's applicable laws governing the public disclosure of personally identifiable information, which are set forth in the Tennessee Code Annotated section 10-7-504(a)(29). Pursuant to Tennessee Code Annotated section 10-7-503(a)(5), "information made confidential by State law shall be redacted whenever possible, and the redacted record shall be made available for inspection and copying."

Certification

TDEC reserves the right not to award funds to applicants that:
- Fail to submit a complete application;
- Exhibit poor performance in complying with the expectations and requirements of previous grant or loan contracts with the State of Tennessee; or
- Have regulatory and/or programmatic compliance issues with the State of Tennessee (e.g., is in significant non-compliance with current regulations enforced by TDEC) and do not address any significant non-compliance issues in the grant application.

The applicant shall certify that:
- The applicant understands that the elements of Title VI compliance correspond to requirements for Title VI as provided for in 42 U.S.C. § 2000(d) and in Tennessee Code

Annotated section 4-21-904, and applicant has either adopted and implemented these elements of compliance or has agreed to adopt and implement TDEC's compliance resources as its own;

- The applicant understands that the applicant's eligibility for funding is contingent upon its satisfaction of and adherence to the requirements of Title VI, as well as any contractor or subcontractor associated with the project as required by law;
- The applicant has successfully submitted and received notification of completion for its annual Title VI Compliance application;
- The applicant understands that if the applicant is awarded a grant by TDEC, the applicant will need to show evidence of completion of Title VI training when requested by TDEC;
- The applicant has read and understands the reporting requirements and that the applicant will comply with these requirements;
- All vendors will be selected in accordance with state public contracting laws under Tennessee Code Annotated Title 4, Chapter 56; Title 12, Chapter 3; and Title 12, Chapter 4; and
- The applicant, along with the officers, directors, owners, partners, employees, or agents of the applicant organization, is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for an award by any State or Federal agency.

TDEC encourages all stakeholders to regularly visit the TDEC ARP Website for program updates and new guidance, and to sign up for TDEC's email distribution list. Questions about the State Water Infrastructure Grants program should be directed to tdec.arp@tn.gov.

Competitive Grant Manual: Regionalization

State Water Infrastructure Grant Program: American Rescue Plan

Tennessee Department of Environment & Conservation | March 2023

Table of Contents

Grant Overview

The federal American Rescue Plan Act (ARPA) authorized and appropriated American Rescue Plan (ARP) fiscal recovery funds to the State of Tennessee (the "state"). The state's Water Infrastructure Investment Plan (WIIP) describes how the state plans to invest these funds in water infrastructure projects. The state's Financial Stimulus Accountability Group (FSAG) designated $1.35 billion for the Tennessee Department of Environment and Conservation (TDEC) to administer for this purpose. This grant manual details how TDEC is allocating $200 million in the form of competitive grants. Funds are made available through the State Water Infrastructure Grants (SWIG) program to be used for eligible drinking water, wastewater, or stormwater projects that target investments in three areas: regionalization, water reuse, and resource protection. SWIG has designed three separate competitive grant programs for each of these target investment areas and has allocated $100 million for regionalization grants, $50 million for water reuse grants, and $50 million for resource protection grants. This grant manual describes the **regionalization** grant program.

Entities eligible to apply for these competitive grants must meet technical and administrative requirements and demonstrate a co-funding commitment before a grant can be awarded. Applications will be scored to determine suitability for funding. TDEC will award grants until the designated funding is exhausted. The state must obligate all ARP funds by December 31, 2024 to ensure all ARP funds are entirely spent by December 31, 2026.

State Goals and Priorities

These competitive SWIG investments are one opportunity to modernize, improve, and strengthen water infrastructure across the state. TDEC is focusing this competitive SWIG grant effort on the following goals:

- Provide safe, reliable, and affordable water, wastewater, and stormwater services to Tennesseans through promoting regional and collaborative approaches to water infrastructure challenges;
- Promote resiliency, plan for extreme weather events, and reduce nutrient strain on Tennessee's waterways through the beneficial reuse of water;
- Improve Tennessee community's stormwater challenges through the integration of resource protection activities; and
- Support strategic investments in water system challenges.

Applicants for this competitive grant should focus on regionalization of drinking water or wastewater systems.

Background

Initially, TDEC identified priority areas of emphasis in the WIIP[1]. In February of 2022, TDEC launched a non-competitive grant opportunity that provided an allocation to all counties and cities that own or operate a drinking water, wastewater, or stormwater system. Focusing on critical needs and priority areas prepares Tennessee's water infrastructure systems for long-term technical, financial, managerial, and environmental sustainability. To ensure the most critical aspects of a drinking water or wastewater treatment system are addressed, TDEC established a subset of these priority areas of emphasis for designation as critical need areas. With the non-competitive grant opportunity closed, TDEC is now turning to the competitive grant process.

Timeline and Review Process

This grant manual is for the competitive grant offering focused on Consolidation / Regionalization for Drinking Water and Wastewater Systems, which is defined in the Eligibility section of this grant manual. The grant manuals for the water reuse and resource protection competitive grant opportunities may be found on the TDEC ARP website.

The following is a draft timeline of the application and review process for this competitive grant offering. This is subject to change and extensions may be granted solely at TDEC's discretion.

TIMELINE AND REVIEW PROCESS

March 2023
Grant Manuals
Released

May – August 2023
Grant Workshops &
Engagement Sessions

August – October 2023
Review, Evaluate, &
Recommend Awards

February 2024
All Contracts
Executed

May 9, 2023
Open Application
Solicitation

August 8, 2023
Close Application
Solicitation

October 20, 2023
Announce Awards

---

1 See Section V of the WIIP for a complete description of priority areas.

TDEC will review, evaluate, and recommend grant awards following the closure of the application solicitation, and will announce awards in approximately **60** days. To prevent conflicts of interest and maintain the integrity of the competitive process, TDEC is unlikely to engage with grant applicants between the application solicitation opening and announcement of awards and may only contact applicants to clarify minor points within the proposal. Grant applicants are required to have a full and complete application submitted by the application solicitation closing and may not be able to modify or add to an application between submission and announcement of awards. TDEC will rank and review applications based only on the information included in the application at the time of submission. Incomplete applications may not be considered for funding.

TDEC will strive to execute contracts within **120** days of grant award announcements. Each contract will be individualized based on the proposed scope of work and project timelines. Grant applicants should anticipate project management discussions with TDEC during this time, including but not limited to an overview of the award, scope of services, project timelines, terms and conditions (which are set at the time of grant award), subcontracting, the budget, and the process for reimbursement of costs incurred. Applicants may be able to modify their application to ensure that the application and information within is ready for contract execution during the window between award announcement and contract execution.

REVIEW PROCESS

TDEC will review, evaluate, and recommend grant awards following closing the application solicitation.

Awards will be announced in approximately **60 days** following the competitive grant application closing.

Grant contracts will be executed within **120 days** of grant award announcements.

Eligibility

Grant Applicants

Eligible grant applicants include all counties and cities, water utility districts, and water utility authorities or similarly governed/authorized entities. For-profit water infrastructure systems may also be eligible if they apply in partnership with an eligible county, city, water utility district, or water utility authority serving as the lead grant applicant. Grant applicants must certify in the application that the system is either not under a state or federally mandated compliance order

or is actively working to address any significant non-compliance. Regionalization grant proposals must be supported with at least one partnership. Partnerships may involve multiple cities, counties, utility districts, or authorities.

Eligible grant applicants (i.e., grantees) may only lead the submission of a single grant application under the regionalization offering. However, entities may serve as a partner in other grant applications. Entities that are eligible to apply under the other competitive grant offerings (water reuse and resource protection) may submit additional applications under those solicitations. Approval for funding of a regionalization grant does not prohibit an entity from also applying for or receiving funding for a highly ranked application under water reuse or resource protection. TDEC reserves the right to consider the feasibility of executing projects under multiple grants, including the non-competitive grant offering, when determining awards.

Grantees are responsible for grant oversight and monitoring of activities. Grantees are also responsible for submitting progress updates as requested by TDEC and as required by the U.S. Department of Treasury (the "Treasury"). Activities associated with these requirements are administrative expenses and may be funded using grant funds not to exceed 6% of the total grant contract. For additional information about oversight, monitoring, and progress update submittal, see the Funding Conditions section of this grant manual.

Eligible Activities

Regionalization projects strategically connect Tennessee infrastructure, including that in rural communities, to improve services and optimize capacity. These efforts seek to provide cooperative support across water and wastewater systems to enhance system capacity, reduce costs, and/or obtain a higher level of service.

All regionalization projects should improve the sustainability, affordability, and/or reliability of systems include in the proposal.
- **Sustainable:** Providing a high-quality level of service in an environmentally responsible manner through developing necessary sustainable water supplies; minimizing electrical power consumption, greenhouse gas emissions, and chemical usage; detecting and repairing leaks; encouraging conservation and ecological health; promoting highly effective workforces with appropriate technical, managerial, and financial capacity; and addressing other factors involving environmental consequences.
- **Affordable:** Reducing total life cycle costs through economy of scale.

6

- **Reliable:** Meeting reasonably foreseeable challenges, ensuring source water protection, flood and drought resistance, adequate supply, storage, and transmission flexibility.

These practices are inherently eligible in both the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs. Certain legal assistance activities are allowed under CWSRF and DWSRF eligibility; please refer to the eligibility guidance[2] for additional information.

All grant activities must occur within the State of Tennessee to be eligible for this funding opportunity.

Project Award Type

The project award type dictates the extent of activities and deliverables. This competitive grant has three project award types: Investigation and Planning; Investigation, Planning, and Design; and Planning, Design, and Construction. Proposals must identify the eligible activities, clearly articulate whether the grant applicant and any partners on the application are responsible for certain activities, and how those activities fall into one project award type.

Funding

TDEC has allocated **$100 million toward regionalization** in this competitive grant offering. TDEC reserves the right in its sole discretion to award funds for grants that total below, at, or above the funding allocation. TDEC may also dedicate more or less funds to the water reuse and/or resource protection grant allocations based on the quantity and quality of applications received for each grant program.

TDEC has developed **proposal budget maximums** based on the project award type for a proposal. **The proposal budget maximum includes funds requested for reimbursement and applicable co-funding, as described in the next section. The proposal budget maximums** by project award type are:

---

2 Overview of CWSRF Eligibilities: https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf; Overview of DWSRF Eligibilities: https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_versioni.pdf

Project Award Type	Proposal Budget Maximum
Investigation and Planning	$2 Million
Investigation, Planning and Design	$7 Million
Planning, Design and Construction	$20 Million

Eligible grant applicants may submit a proposal for project costs up to this dollar amount under an application for an eligible regionalization project. TDEC suggests a minimum funding request of no less than $1 million dollars. Please note that TDEC may select parts of a proposal for funding and may offer to fund more or less than the eligible grant amounts or a larger or smaller amount than requested in the application.
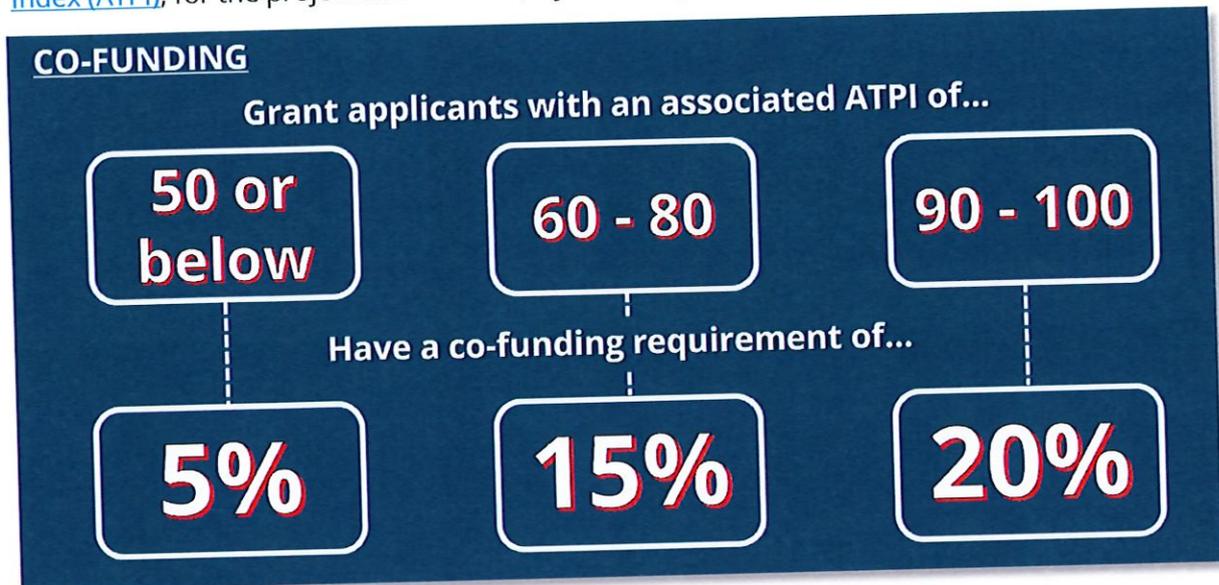
The following table demonstrates the general categories of allowable activities:

Professional Fee, Grant, and Award	Capital Purchase
Development of a legal framework and governance model for system ownership	Land Purchase for Easement
General Grant Admin	Construction
Acquisition Services for Land/Easement	Equipment Purchase
Review & Legal Fees	Construction Admin/Inspection
Engineering Design/Other Engineering Services	
Survey	Permits/Easement
Bidding Services	

When developing and submitting proposals, grant applicants must consider proposal budget maximums and co-funding requirements, detailed in the following section. **A proposal's total project budget is the sum of the total state allocation and co-funding.** Co-funding will be applied to each reimbursement request up to the total project budget.

Co-Funding

Co-funding requirements are applied to every competitive SWIG proposal. Co-funding requirements range from 5%–20%. Co-funding amounts are based on the 2022 Ability to Pay Index (ATPI), for the project area served (city or county scale).[3]

For regionalization proposals, the required co-funding percentage will be based on the lowest ATPI among the partners included in an application. Grant applicants should indicate the required co-funding on the budget sheet; leveraging of additional funds should not be included in the budget worksheet but should be included in the grant application narrative. Both cash and third-party in-kind contributions are eligible to meet co-funding requirements. Co-funding requirements cannot be met through TDEC ARP non-competitive grant funds. Entities will need to demonstrate other funding sources leveraged to meet the co-funding requirements under this competitive grant solicitation.

Cash may consist of local ARP funds, State Revolving Fund loans, financial assistance grants and loans, cash reserves, revenue bonds, and public-private partnerships or sponsors. Other cash-value contributions include engineering plans and specifications developed on or after March 3, 2021.

Third-party in-kind contributions mean the value of non-cash contributions that may consist of goods or services, benefit a federally assisted project, and are contributed by a third party

---

[3] ATPI represents a database of a database of a community's unique and socio-economic and financial data to determine their fiscal health and fiscal capacity.

without charge. These may include project owner labor, equipment services, or material contributions. TDEC will consider using in-kind co-funding contributions provided an individual accountability report is completed and submitted with the grant application.

Treasury's Final Rule allows for the use of ARP funds as a match for other federal and non-federal grant programs where the costs are eligible under both programs. The entire project, including ARP dollars, is then subject to the requirements of those grant programs. Local or state ARP funds cannot be used as match for grant programs that restrict the use of federal funds to meet match requirements.

Administrative Use of Funds

Grant applicants are responsible for ensuring proper grant administration. Applicants may contract with consultants to administer the grant; however, legal liability of the terms and conditions of the grant remains with the grant applicant.

Up to 6% of a grant applicant's total grant contract may be used for reasonable and allocable administrative expenses. Administrative expenses may include grant application, project and proposal development and submittal, reporting, compliance assurance, monitoring, or direct or indirect costs associated with administering the grant award. Grantees may also be reimbursed for a reasonably proportionate share of the costs of audits required by and performed in accordance with the "Single Audit Act Amendments of 1996" as provided in 2 C.F.R. § 200.425.

Examples of Eligible Projects

Scenario A	Travis, Caldwell, and Williamson County want to collaborate on a regional wastewater management plan to accommodate an investment in a new manufacturing facility. The counties have the following ATPIs: • Travis County: 80 • Caldwell County: 30 • Williamson County: 80 The counties do not anticipate developing plans and specifications under the ARP timeline. Though the facility will be in Travis County, it's expected to affect each county's wastewater infrastructure equally and significantly.

Project application example	Travis County, Caldwell, and Williamson County submit a regionalization proposal for the Investigation and Planning award type, with Travis County as the lead applicant. The co-funding requirement follows the lowest of the partners included in the application. Based on Caldwell county's ATPI, the co-funding requirement is 5%. TDEC would contract with the grant applicant – in this example, Travis County – and recognize the other two counties as partners.
Funding scenario	- Total grant dollars requested (reimbursable): $950,000 - Allowable Administrative Expenses: $60,000 (6% of $1 million) - Co-Funding Percentage: 5% - Required Co-Funding: $50,000 - Total Project Budget: $1,000,000 with up to $60,000 available for administrative expenses and the remainder available for the project

Scenario B	The City of Kendall has relied solely on local water resources, but increased water demands and droughts have spurred the need for a more regionalized approach to supplying drinking water. Accordingly, the City of Kendall is partnering with the regionally proximate Biscayne Water Management District to invest in a 10-mile pipeline. The City and the Water Management District have the following ATPIs: - City of Kendall: 90 - Biscayne Water Management District: 60 This interconnection infrastructure will strengthen the water exchange and improve regional resilience.
Project application example	The City of Kendall and the Biscayne Water Management District submit a $20 million proposal for the Planning, Design, and Construction award type. Although the City of Kendall has an ATPI of 90, the proposal's co-funding is based on the lowest ATPI of the those on the application and results in a co-funding requirement of 15%. These entities would need to designate a grant applicant, which could be either entity. TDEC would contract with the grant applicant and recognize the other entity as a partner.
Funding scenario	- Total grant dollars requested (reimbursable): $17 million - Allowable Administrative Expenses: $1.2 million (6% of $20 million) - Co-Funding Percentage: 15% - Required Co-Funding: $3 million - Total Project Budget: $20 million with up to $1.2 million available for administrative expenses and the remainder available for the project

Submission Guidelines

Each proposal should describe a single project under a discrete award type. Grant applicants should select the project award type that describes the maximum extent of activities proposed within the proposal. The budget maximums by project award type are described in the Funding section of this manual.

Alignment with the definition of **regionalization** is critical in determining suitability for funding. Therefore, grant applicants must demonstrate that their proposal aligns with the definition of regionalization and meets all activity eligibility requirements, as described in this grant manual's Eligibility section. Applicants will develop and submit this narrative as a part of the proposal submission through the Grants Management System (GMS).

Format and Checklist

Applicants will complete a grant application using TDEC's online GMS. The GMS allows grants administration partners to affiliate with the grant applicant to prepare the application for the legally authorized representative's review and electronic signature. Signees other than the executive officer or mayor must include a resolution from the applicant's governing body giving authority to sign for the applicant.

The GMS will include the grant manual, application, project proposal narrative, budget worksheets, and document upload capability. It will be designed to ensure that only complete applications may be submitted for TDEC review and approval. The GMS will also serve as the portal for submitting the required Title VI Pre-Audit Survey, Supplier Direct Deposit Authorization (SDDA), and future invoices for reimbursement requests and state approvals.

The solicitation will announce the opening and closing dates of the application period as detailed in the Timeline section of this grant manual. Long-term access to the GMS is possible with user login and affiliations. More information about this system will be available to grant applicants during the grant workshops and on the website.

Grant Proposal Requirements

The following information is required as part of a complete grant proposal.

    A. **Designated grant applicant**
        1. Identification of lead grant applicant,

2. Verify no current, federal, or state mandated compliance orders exist or if there are compliance issues, the entity is either working with state and federal officials to address concerns or utilizing this project to address concerns,

3. Identification of all partners party to the grant proposal, and

4. Demonstration of interjurisdictional agreements or letters of support from all entities identified in (3).

B. **Description and narrative of the overall proposal, including:**

1. Project name

2. Narrative description of the project

3. Water infrastructure type
    a. Drinking Water
    b. Wastewater

4. Project award type
    a. Investigation and Planning
    b. Investigation, Planning and Design
    c. Planning, Design and Construction

5. Detailed scope of work for this grant
    a. Activities and milestones
    b. Timeline
    c. Start and completion dates of construction (if applicable)

6. Total Project Information
    a. Total project budget
    b. Total project timeline, including start and completion dates for all project phases
    c. Additional funding sources committed to the project (other than the co-funding for this grant opportunity)

7. Information from the lead applicant
    a. ATPI (C1 of scoring rubric)
    b. Population served (C3 of scoring rubric)
    c. Current infrastructure capacity (taken from Tennessee Infrastructure Scorecard; averaged across all relevant datapoints) (C5 of scoring rubric)
    d. Projected availability of increase in water withdrawal (drinking water) or increase in wastewater discharge (wastewater) to accomplish the project (C7 of scoring rubric)

8. Information from all partners included in the proposal
    a. ATPI (C2 of scoring rubric)

  b. Population served (C4 of scoring rubric)

  c. Current design facility capacity (taken from Tennessee Infrastructure Scorecard; averaged across all relevant datapoints) (C6 of scoring rubric)

  d. Projected availability of increase in water withdrawal (drinking water) or increase in wastewater discharge (wastewater) to accomplish the project (C8 of scoring rubric)

9. Show a distribution of partner responsibilities required to make this regionalization project a success

10. Please indicate if the primary driver for regionalization is due to Emerging Contaminant (EC) concerns. The EC of concern must be either PFAS or any contaminant listed in any of EPA's Contaminant Candidate Lists

  a. If yes, list the EC(s) of concern

C. **Uploaded Tennessee Infrastructure Scorecards for the lead applicant and all partners**

D. **Overall grant budget, including:**

 1. Distribution of funds for the lead applicant and all partners,

 2. Total administrative expenses, and

 3. Budget for the project.

E. **Co-funding requirements**

F. **Proposal details (maximum response – 250 words per question)**

 1. Describe the regionalization problems or issues you will work to address with the grant funds, if awarded. Include in this description the planned model of regionalization (e.g., consolidation of systems, development of a new authority) and how adequate design facility capacity is currently available or will be made available through project activities. (C5-C8 and P2 of scoring rubric)

 2. Describe past successful efforts pertaining to the project that the lead applicant and partners have undertaken, including whether these efforts were done in partnership. Examples may include but are not limited to legal agreements, inter-basin transfer agreements, partnerships, memoranda of understanding (MOU) or agreement (MOA), etc. (C9 of scoring rubric)

 3. Has the lead applicant either engaged in a rate analysis study or other demonstration of consideration of rates in the last three (3) years or is including a rate analysis study as a part of this project? (C10 of scoring rubric)

 4. How did each system/community included in the proposal utilize non-competitive funds to address critical system needs? (C11 of scoring rubric)

5. How does the proposal align with the definition of regionalization? (P1 of scoring rubric)
6. Describe the need for regionalization efforts with the lead applicant and partners included in the proposal. What are the specific drivers to regionalize? (P2 of scoring rubric)
7. Are project activities resilient, sustainable, environmentally innovative, and green according to EPA guidance? Identify the percentage of the project budget associated with these components. (P3 of scoring rubric)

G. **Technical Project Information**
   1. Investigation and Planning Project
      a. Detailed individual project budget
      b. Maps of the area of interest and location of activities
      c. Detailed schedule for the project which includes deliverable dates:
         i. Engineering Agreement within 60 days of grant award
         ii. Preliminary engineering report (or facilities plan)
   2. Investigation, Planning, and Design Project
      a. Detailed individual project budget
      b. Maps of the area of interest and location of activities
      c. Detailed schedule for the project which includes deliverable dates:
         i. Engineering Agreement within 60 days of the grant award
         ii. Preliminary engineering report (or facilities plan)
         iii. Plan of Operation(s) if the project includes a planned new facility or expansion or upgrade of the existing facility
         iv. Engineering plans and specifications
         v. List of required permits (as needed for plans approval)
   3. Planning, Design, and Construction Project
      a. Detailed individual project budget
      b. Maps of the area of interest and location of activities
      c. Detailed schedule for the project which includes deliverable dates:
         i. Preliminary engineering report (or facilities plan)
         ii. Plan of Operation(s) for every individual project where a new facility is planned, or expansion or upgrade of the existing facility
         iii. Engineering plans and specifications
         iv. Project start of construction
         v. Projected Initiation of Operations
         vi. Operation and maintenance manual on or before the date

vii.   Complete construction
viii. Site certification or letter in lieu of for the project (as needed)
ix.   List of required or approved permits (as needed)

Application Evaluation

Proposal Priority Ranking

All grant applications will be ranked to determine the suitability of funding. TDEC may not engage with grant applicants to answer specific questions about projects or proposals between the application solicitation opening and the announcement of awards. TDEC will not allow grant applicants to revise or add to applications following submission. Proposals will be reviewed and ranked based on the merits of the application as submitted. Incomplete applications may not be eligible for funding.

TDEC will assemble a lead panel of three (3) subject matter experts to review, rank, and recommend proposals for funding. Other subject matter experts may be included in review discussions or asked to contribute specific feedback necessary for completing the reviewing, ranking, and recommending process. Proposals will be reviewed and ranked relative to other proposals within the project award type following close of the application period. Proposals will not be ranked as they are received. TDEC aims to dedicate 70% of the overall funding for this competitive grant to Planning, Design, and Construction proposals and 30% to non-construction proposals (Investigation and Planning, and Investigation, Planning, and Design).

Proposals will be reviewed and ranked to assess the most funding-worthy projects. Within each row (section) of the scoring rubric, a proposal will receive a score ranging from 0 to the maximum available points, using whole numbers. Proposals with the highest total points at the end of scoring will be considered for funding. Each proposal will be evaluated using the following scoring rubric:

Section	Criteria	Maximum Available Points
	COMMUNITY / SYSTEM CONSIDERATIONS	60
C1	Financial capacity of the lead applicant • 1 point for ATPI 20 or below • 2 points for ATPI 30-40 • 3 points for ATPI 50-60	5

	• 4 points for ATPI 70-80 • 5 points for ATPI 90-100	
C2	Investment in a disadvantaged community(ies) (average of all partners on application) • 1 point for ATPI 90-100 • 2 points for ATPI 70-80 • 3 points for ATPI 50-60 • 4 points for ATPI 30-40 • 5 points for ATPI 20 or below	5
C3	Lead applicant population served • 1 point for serving less than or equal to 5,000 • 2 points for serving 5,001-10,000 • 3 points for serving 10,001-30,000 • 4 points for serving 30,001-50,000 • 5 points for serving more than 50,001	5
C4	Partner population served (average of all partners on application) • 1 point for serving more than 50,001 • 2 points for serving 30,001-50,000 • 3 points for serving 10,001-30,000 • 4 points for serving 5,001-10,000 • 5 points for serving less than or equal to 5,000	5
C5	Current amount of drinking water or wastewater facility design capacity being utilized by the lead applicant • 1 point for infrastructure capacity at >81% • 2 points for infrastructure capacity at 61-80% • 4 points for infrastructure capacity at 41-60% • 5 points for infrastructure capacity at <40%	5
C6	Current amount of drinking water or wastewater facility design capacity being utilized by partners (average of all partners on application) • 1 point for infrastructure capacity at <40% • 2 points for infrastructure capacity at 41-60% • 4 points for infrastructure capacity at 61-80% • 5 points for infrastructure capacity at >81%	5
C7	Projected increase in water withdrawal availability (drinking water) or increase in wastewater discharge (wastewater) to accomplish the project for the lead applicant • 1 point for low potential for increase in water withdrawal or increase in wastewater discharge • 3 points for moderate potential for increase in water withdrawal or increase in wastewater discharge • 5 points for high potential for increase in water withdrawal or increase in wastewater discharge	5

C8	Projected increase in water withdrawal availability (drinking water) or increase in wastewater discharge (wastewater) to accomplish the project for all partners on application • 1 point for high potential for increase in water withdrawal or increase in wastewater discharge • 3 points for moderate potential for increase in water withdrawal or increase in wastewater discharge • 5 points for low potential for increase in water withdrawal or increase in wastewater discharge	5
C9	Demonstration of historically successful efforts relating to the project, including with partners • 0 points for no historical demonstration • 3 points for adequate historical demonstration • 5 points for exceptional historical demonstration	5
C10	Demonstration of rate structure consideration (e.g., recent rate analysis study) by the lead applicant or inclusion in current project • 0 points for no rate structure consideration • 3 points for rate structure consideration, 3 years ago or older • 5 points for rate structure consideration within the last 3 years or included in the proposal	5
C11	Use of non-competitive funds to address critical system needs by lead applicant and partners • 0 points for significant critical needs identified and not addressed • 5 points for critical needs identified and addressed to the minimum extent • 10 points for no critical needs identified or critical needs identified and addressed above and beyond minimum requirements	10
PROPOSAL CONSIDERATIONS		**40**
P1	Alignment with definition of regionalization • 0 points for inadequate alignment with definition • 5 points for adequate alignment with definition • 10 points for exceptional alignment with definition	10
P2	Demonstration of drivers for regionalization activities • 0 points for no demonstration of drivers • 10 points for demonstration of minor drivers • 20 points for demonstration of major drivers	20
P3	Project activities are defined as resilient, sustainable, environmentally innovative and green according to EPA guidance • 0 points for 0% of project costs associated with these components • 3 points for 1-10% of project costs associated with these components	10

	• 5 points for 11-20% of project costs associated with these components • 7 points for 21-30% of project costs associated with these components • 10 points for 31% or greater of project costs associated with these components	
MAXIMUM AVILABLE POINTS TOTAL		**100**

The assessing panel will recommend funding proposals based on the evaluation, using the top-scored proposals up to the funding maximum. TDEC may in its sole discretion consider feasibility of project/proposal completion and diversity of project types, applicants, and geographic distribution in making final funding recommendations. TDEC may not award funds to proposals that score below a 70 out of 100 total points. Final funding decisions will be made by TDEC leadership and published online. Funding decisions are final at time of award announcement and publication.

Entities with applications that were not awarded may engage in a due process request by submitting a written request to the Commissioner within ten (10) days of award announcements. Following written request, TDEC will provide additional details regarding the grant application to the entity. TDEC may provide these additional details in writing or in a meeting.

Proposal Review

TDEC will comprehensively review all complete and eligible grant applications, including all required supporting documentation. Applications will be evaluated based solely on the data provided; therefore, project eligibility, co-funding documentation, completeness, and accuracy are essential. Each grant applicant is responsible for submitting all relevant and factual information with the application. Funding will be awarded based on the merits of the applications. Please note that TDEC may select parts of a proposal for funding and may offer to fund less than the eligible grant amounts or a smaller amount than requested in the application.

Applicants must demonstrate how they will meet co-funding requirements and validate the feasibility of project completion within the performance period. TDEC will preliminarily conduct an administrative review of each application for completeness, accuracy, and eligibility before initiating the technical evaluation. TDEC will further evaluate each application based on the

scoring rubric. Proposals will be ranked and reviewed relative to other proposals in their project award type category and top-ranked projects will be recommended for funding.

Information submitted to the GMS will be the basis for grant contracts. Complete applications that include accurate budgets, project timelines and descriptions, and co-funding information are critical for timely grant execution and award. Cost estimates and timelines must be realistic and align with the ARP timeframe. Budget adjustments and grant contract amendments may not be possible. Following announcement of awards, TDEC staff may contact applicants to request additional information, discuss alternatives, or discuss the potential of leveraging other funding opportunities (e.g., SRF, BIL, CDBG). TDEC may also request additional information necessary for contract execution.

Funding Conditions

Grant Schedules

All grant contracts will have an effective date of March 3, 2021 (the American Rescue Plan was signed into law on March 11, 2021). Proposal schedules establish the grant contract term with end dates of September 30, 2026. All proposals must have an end date of September 30, 2026 to ensure proper close-out of all activities prior to December 31, 2026. All grant contracts will end by September 30, 2026.

> **GRANT SCHEDULES**
>
> The American Rescue Plan was signed into law on **March 11, 2021.**
>
> ➢ All grant contracts will have an effective date of **March 3, 2021.**
>
> ➢ Proposal schedules must establish the grant contract term with end date of **September 30, 2026.**
>
> ➢ All proposals must have an end date of **September 30, 2026.**
>
> ➢ All grant contracts will end by **September 30, 2026.**
>
> ➢ Proper close-out of all activities must be completed prior to **December 30, 2026.**

Project schedules are dependent on the project award type and the project itself. Grant applicants and partners need to consider the feasibility of completing a project within the limits of the project award type. Project schedules should identify start dates, dates of major milestones toward project completion, and end dates based on the deliverables required. Grant applicants must provide the timeline and dates for submitting all deliverables as part of each project schedule.

TDEC may, in its sole discretion, amend the individual project schedule upon written request and for good cause shown. **Project schedules must include a start date and an end date. These items must be identified in the grant proposal.**

Reimbursements

A request to be reimbursed for the cost incurred for competitive SWIG grants shall include only requests for actual, reasonable, and necessary expenditures required in the delivery of service described in the grant contract and identified in the individual project budget. Supporting documentation will be required to substantiate the costs requested for reimbursement. This documentation may include purchase orders, pay requests, invoices, and/or proof of payment. Reimbursement shall not include any request for future spending without demonstrating cost incurred. Grantees may incur new obligations to carry out the work authorized in the grant contract and submit reimbursement requests only during the grant contract term. Grant contracts will have an effective date of March 3, 2021 and end on September 30, 2026. Grant applicants may elect to complete their final report early if all contract deliverables are complete and reports are submitted and approved.

REIMBURSEMENTS

Investigation & Planning	**80%**	The maximum allowable reimbursement of the **individual project budget** until the PER(s) or comparable deliverable is received and approved by TDEC.
Investigation, Planning & Design	**80%**	The maximum allowable reimbursement of the **planning fees** of an individual project budget until the PER(s) or comparable deliverable is received and approved by TDEC.
	80%	The maximum allowable reimbursement of the **design fees** of an individual project budget until the plans and specifications received and approved by TDEC.
Planning, Design & Construction	**80%**	The maximum allowable reimbursement of the **design fees** of an individual project budget until the plans and specifications received and approved by TDEC.
	90%	The maximum allowable reimbursement of the **total individual project costs** until the construction is complete, the site has been inspected by TDEC (or designated agent) and is in proper operation, and TDEC has approved the project.

Procurement

Grant applicants are responsible for ensuring that any procurement using competitive SWIG funds, or payments under procurement contracts using such funds, are consistent with state procurement standards[4] and those set forth in the Uniform Guidance at 2 CFR Part 200 Subpart D, as applicable. When the terms of a grant award allow disbursements for the cost of goods, materials, supplies, equipment, or contracted services, such procurement must be made on a competitive basis, including using competitive bidding procedures, if purchases are above the simplified acquisition threshold. According to the State's Procurement Policy, acquisitions greater than $50,000 are required to be formally procured. At a minimum, this threshold should be applied for any transaction, except for when the local policy calls for formal procurements at a lower dollar threshold. Grant applicants must maintain documentation for the basis of each procurement for which a disbursement is made under to the grant award. In each instance where it is determined that using a competitive procurement method is not practical, supporting documentation must include a written justification for the decision and use of a non-competitive procurement process. Further, grant applicants are considered subrecipients, therefore, must comply with 2 C.F.R. §§ 200.318—200.327 when procuring property and services under a federal award.

For additional information, see U.S. Treasury's Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds and the Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards contained in 2 CFR Part 200.Additional Funding Considerations

Additional Funding Considerations

Some proposals may use grant or loan dollars in conjunction with ARP funds to complete an existing project or leverage multiple funding programs for a new project during the grant period. In some instances, the requirements of the companion grant or loan program (e.g., Davis-Bacon and Buy American provisions) would apply to the ARP project. For example, using funding from SRF in conjunction with ARP to complete a wastewater treatment plant expansion or construction of a new storage tank would necessitate the entire project adhering to the requirements of SRF. However, if the ARP-funded portion of the project is completed using only

---

[4] State public contracting laws under Tennessee Code Annotated Title 4, Chapter 56; Title 12, Chapter 3; and Title 12, Chapter 4.

ARP funds and an SRF loan is sought for a new, distinct phase of the related infrastructure project, the SRF-specific requirements would not apply to the ARP-funded stage of the project.

TDEC will base grant award totals on the estimates in the grant application budget section. TDEC recommends that applicants research the goods or services they want to purchase and obtain accurate pricing information before submitting their application. **Only goods and services identified in the application and authorized in the grant award will be funded.** Significant adjustments to a grant award budget will not be possible given the federal deadlines. If a grantee needs to adjust line-item expenses, funds may be redirected from one line item to another budgeted line item, up to 20% of the total budget. This action must be a no-cost modification. If projects exceed the grant budget, grantees should pursue an SRF loan or other financial assistance to complete the scope of work by the contract end date of September 30, 2026.

Federal Reporting Requirements

Funds described in the WIIP are federal funds awarded to the state (i.e., state fiscal recovery dollars). All grant recipients are subject to federal reporting requirements found in 2 CRF Part 200 and the **Compliance and Reporting Guidance** issued by the U.S. Treasury. All SWIG grant recipients must provide timely reports to TDEC during the grant award period. Grant contracts will provide detailed information on program progress and expenditure reporting requirements, reporting frequency, and reporting deadlines. Grant applicants are urged to review the U.S. Treasury Compliance and Reporting Guidance before applying for competitive SWIG funds to become familiar with these requirements, including any requirements that would apply to partners and subcontractors executing elements of a grant proposal. Grant recipients and partners must appropriately maintain accounting records for compiling and reporting accurate, compliant financial data in accordance with appropriate accounting standards and principles and applicable law. Grant applicants may be subject to state and local audits.

Monitoring and Oversight Responsibilities

Grantees are responsible for ensuring all fiscal recovery funds are used in compliance with U.S. Treasury's Final Rule. In addition, recipients should be mindful of any compliance obligations that may apply to other funding sources used in conjunction with these fiscal recovery funds or statutes and regulations that may independently apply to water infrastructure projects. Because it is a requirement for TDEC to provide monitoring and oversight for its subrecipients

that participate in this grant program, it is incumbent on all subrecipients to have the proper monitoring and oversight controls in place for its contractors and subcontractors. This includes, but is not limited to:

- Reviewing invoices;
- Ensuring contractors and subcontractors are not federally debarred;
- Requiring that all rules and regulations are followed and complied with;
- Providing project management of the projects to ensure timelines and milestones are being met; and
- Obtaining the necessary reporting information needed by TDEC to comply with the U.S. Treasury's SLFRF guidelines.

Additional Considerations

All construction projects must secure and comply with all relevant state and federal permits before the project execution. Awarding of a grant does not indicate that a permit will be authorized and is not a substitute for required permits. Any construction project should evaluate the need for 401 water quality certification permits, coverage under the DWR Construction General Permit, NPDES permits, and any other applicable state and federal permits.

TDEC will require the submission of an authority-to-award (ATA) bid package from grant recipients before commencing construction. Once TDEC completes the review and approval of the ATA bid package, the grant recipient and partners are authorized to award construction contracts subject to any approvals required by law. Grant applicants should schedule pre-construction conferences (PCC) before issuing a notice to proceed (NTP) for construction. TDEC will require a two-week notification before the PCC. Once the PCC is held, an NTP can be issued. Construction start dates in the NTP must be within 120 days of the approval of the ATA bid package. If construction projects are not initiated before this date, TDEC may limit the remaining grant activity and/or revoke grant dollars. TDEC will not authorize construction until all permits have been secured. Bid packages will be reviewed for compliance with the competitive procurement process, federal requirements concerning minority business enterprises, equal employment opportunity documentation, bid tabulations, and other common, relevant information.

Construction project grantees must receive TDEC approval for preliminary engineering reports, construction documents, and other common, relevant material before the project closes out. All

construction projects will be inspected at the start of construction, during construction, and at construction completion to ensure the project is executed according to plans and specifications, complies with permit requirements, and progresses in a timely manner. Construction projects experiencing up to three-month delays in individual project schedules and at risk of missing deliverable dates should notify SWIG staff immediately. Grantees must justify the delay and request a project schedule modification. At TDEC's sole discretion, schedule modifications may be granted on a case-by-case basis, given that reasonable assurances are made that the project will be complete by September 30, 2026. No projects may extend construction activity or incur any expenses for reimbursement past September 30, 2026. Any projects not completed on time may forfeit remaining grant award dollars or risk not completing the requirements for construction projects that are provided in grant contracts.

Public Record

Any information affiliated with the solicitation for the State of Tennessee's SWIG funds, including information submitted by applicants, may be considered public record (other than what is not public record due to homeland security) and will be subject to disclosure to the public as required by Tennessee law. By applying for a grant, applicants agree to allow the use of the applicant and project information as provided in the application and grant documents to be published or distributed in various print or electronic media publications.

The application is also subject to the State of Tennessee's applicable laws governing the public disclosure of personally identifiable information, which are set forth in the Tennessee Code Annotated section 10-7-504(a)(29). Pursuant to Tennessee Code Annotated section 10-7-503(a)(5), "information made confidential by State law shall be redacted whenever possible, and the redacted record shall be made available for inspection and copying."

Certification

TDEC reserves the right not to award funds to applicants that:
- Fail to submit a complete application;
- Exhibit poor performance in complying with the expectations and requirements of previous grant or loan contracts with the State of Tennessee; or
- Have regulatory and/or programmatic compliance issues with the State of Tennessee (e.g., is in significant non-compliance with current regulations enforced by TDEC) and do not address any significant non-compliance issues in the grant application.

The applicant shall certify that:

- The applicant understands that the elements of Title VI compliance correspond to requirements for Title VI as provided for in 42 U.S.C. § 2000(d) and in Tennessee Code Annotated section 4-21-904, and applicant has either adopted and implemented these elements of compliance or has agreed to adopt and implement TDEC's compliance resources as its own;
- The applicant understands that the applicant's eligibility for funding is contingent upon its satisfaction of and adherence to the requirements of Title VI, as well as any contractor or subcontractor associated with the project as required by law;
- The applicant has successfully submitted and received notification of completion for its annual Title VI Compliance application;
- The applicant understands that if the applicant is awarded a grant by TDEC, the applicant will need to show evidence of completion of Title Vi training when requested by TDEC;
- The applicant has read and understands the reporting requirements and that the applicant will comply with these requirements;
- All vendors will be selected in accordance with state public contracting laws under Tennessee Code Annotated Title 4, Chapter 56; Title 12, Chapter 3; and Title 12, Chapter 4; and
- The applicant, along with the officers, directors, owners, partners, employees, or agents of the applicant organization, is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for an award by any State or Federal agency.

TDEC encourages all stakeholders to regularly visit the TDEC ARP Website for program updates and new guidance, and to sign up for TDEC's email distribution list. Questions about the State Water Infrastructure Grants program should be directed to tdec.arp@tn.gov.