

**RESOLUTION 22-224**

**A RESOLUTION AUTHORIZING STAFF TO SUBMIT AN APPLICATION FOR THE  
STATE OF TENNESSEE DWR-ARP NON-COLLABORATIVE STATE WATER  
INFRASTRUCTURE GRANT (SWIG) PROGRAM**

**WHEREAS**, on March 11, 2021 the President of the United States signed into law the American Rescue Plan Act (ARPA) to provide continued relief from the impact of the COVID-19 pandemic; and;

**WHEREAS**, the State of Tennessee has made additional ARPA funds for water, sewer, and stormwater infrastructure available through the Tennessee Department of Environment and Conservation;

**WHEREAS**, the City of Spring Hill desires to apply for and utilize these funds, known as the SWIG program, to invest in utility infrastructure;

**NOW THEREFORE BE IT RESOLVED**, by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee that the following actions are authorized:

1. The Mayor is authorized to sign a letter of support with a copy of this resolution to include in the grant application.
2. The City authorizes staff to apply for \$2,369,085.53 with a co-funding requirement of 35%.
3. The 35% co-funding requirement shall be reduced by 5% due to utilizing funds for Priority Areas of Emphasis, and shall be covered by utilizing a State Revolving Loan for Clean Water and Drinking Water.
4. The Priority Areas of Emphasis for Spring Hill in the grant are asset management planning, infrastructure condition assessment, work order and maintenance system development, and addressing Significant Non-Compliance at the Wastewater Plant.

Passed and adopted by the Spring Hill Board of Mayor and Aldermen this 3<sup>rd</sup> day of October, 2022.

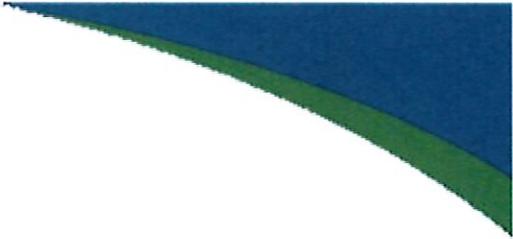
  
\_\_\_\_\_  
Jim Hagaman, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Patrick Carter, City Attorney



**MEMORANDUM**

TO: Board of Mayor and Alderman  
FROM: Dan Allen, Assistant City Administrator  
DATE: October 3rd, 2022  
RE: Authorizing application for Tennessee DWR-ARP Non-Collaborative State Water Infrastructure Grant (SWIG)  
REQUEST: Approval of Resolution 22-224

**PURPOSE:**

To receive authorization to apply for SWIG grant funds to invest in utility infrastructure.

**BACKGROUND:**

The State of Tennessee has established a Water Infrastructure Investment Plan (WIIP), which describes how the State intends to invest their portion of American Rescue Plan fiscal recovery funds. One of the critical state priorities is addressing critical water infrastructure needs across the state, and the SWIG program is focused on funding those needs. The critical priority areas in the program are:

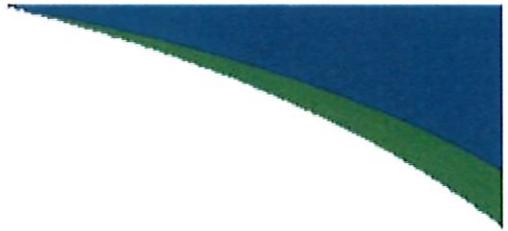
- Achieving compliance with Local, State, and Federal Drinking Water, Wastewater, and Stormwater Quality requirements
- Asset Management Planning for Sustainable Drinking Water, Wastewater, and Stormwater systems
- Water Loss Reduction for Drinking Water Systems
- Infiltration and Inflow Reductions for Wastewater Systems
- Modernization of Facilities and Equipment for Drinking Water and Wastewater Systems

The non-collaborative distribution amount allocated to Spring Hill is \$2,369,085.63 based on a formula that takes into account population, an equitable base allocation of funds, and our Ability to Pay Index (ATPI). Spring Hill has a very high ATPI score, which requires larger co-funding amounts due to the city’s higher affluency compared to other cities in Tennessee. See attached document for more details on the ATPI determination for Spring Hill.

The priorities for this grant are determined by an Infrastructure Scorecard that was prepared by TDEC and the Tennessee Association of Utility Districts. Priory areas of Emphasis for Spring Hill are noted in red.



**CITY OF SPRING HILL**  
199 Town Center Parkway • Spring Hill, Tennessee 37174  
931-486-2252  
[www.springhilltn.org](http://www.springhilltn.org)



ASSET MANAGEMENT		WATER LOSS	
Asset Management Plan	No	Unaccounted Water Loss	15%
GIS Mapping	>75%	Milions of Gallons/year	298.27
Inventory and Condition Assessment	No	Production Cost/year	\$372,778.00
Planned O&M and Work Order System	No	INFLOW and INFILTRATION	
Meter Testing & Chargeouts	Yes	Inflow and Infiltration	24%
Capital Improvement Plan & Budget	Yes	Milions of Gallons/year	\$87.91
IT Infrastructure	Yes	Treatment Cost/year	\$72,611.00
MODERNIZATION			
Drinking Water Plant >80% Capacity	Yes	Wastewater Plant >80% Capacity	Yes
Age of Drinking Water Plant	10-30 years	Age of Wastewater Treatment Plant	30-50 years
Percentage of lines older than 50 years	0-25%	Percentage of lines older than 50 years	0-25%
COMPLIANCE			
Drinking Water Violations	No	Meeting Wastewater Permit Requirements	Yes
State Mandated Compliance Order (Water)	No	State Mandated Compliance Order (WW)	No
Meeting Order Requirements (Water)	NA	Meeting Order Requirements (WW)	NA
STORMWATER			
Stormwater Management Plan			Yes
System-Wide Map			Yes

The priorities for this grant are asset management, inventory and condition assessment, planned O&M and work order system, modernization of the plants (>80% capacity), and addressing Significant Non-Compliance (SNC) issues.

**FINANCIAL IMPACT AND STAFF RECOMMENDATION:**

Award of this grant will add an additional \$2,369,085.63 to water and sewer enterprise budget. Many of the items to be addressed have already been budgeted as expenses, so the grant funds will be utilized instead of fund balance and development fees.

Staff has also applied for State Revolving Loan funds as a part of the Bipartisan Infrastructure Law passed in late 2021. A special asset management loan was established that includes 50% forgiveness of principal. Spring Hill is listed on the priority list for funding of two loans totaling \$1,000,000 with 50% principal forgiveness. The terms, while still subject to change, are expected to be 1.63% for 5 years. This loan is expected to satisfy the co-funding requirement of the SWIG grant.

Staff recommends approval of Resolution 22-224.



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City/town Socio-economic Profile: Spring\_Hill

This factsheet provides socio-economic information for your selected community. The table details city/town level data used to calculate a unique Ability to Pay index value and information on average values for Tennessee. Colorized bar charts plot a community's data against the State average. Green indicates a community value that is above the Tennessee average. Red indicates a community that is below the average. Graphs of this information plot the relative trend in population, poverty level, unemployment rate, food stamps and median household income over time. The data is presented for all the 347 cities/towns in Tennessee.

Select City/town →	Spring_Hill	Tennessee	Relative Trend	Tennessee
Change In Population (2010-2019)	56.3%	7.6%	Above average growth	
Poverty Level (2019)	2.8%	11.1%	Lower than state average	
Unemployment Rate (2020)	4.5%	6.4%	Very low unemployment	
Food Stamps (2019)	2.3%	13.6%	Very low reliance	
Adjusted Median Household Income (2019)	\$94,338	\$55,411	Significantly above average MHI	

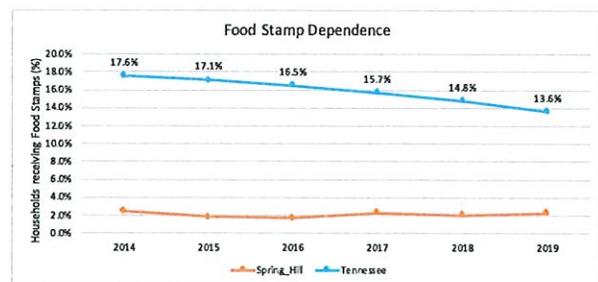
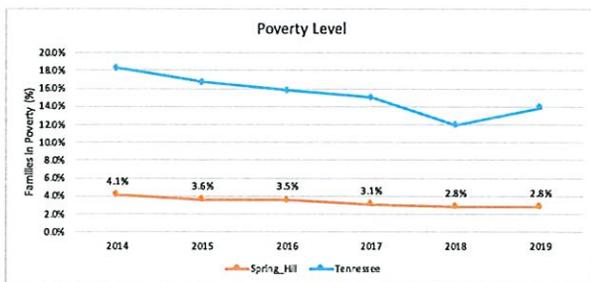
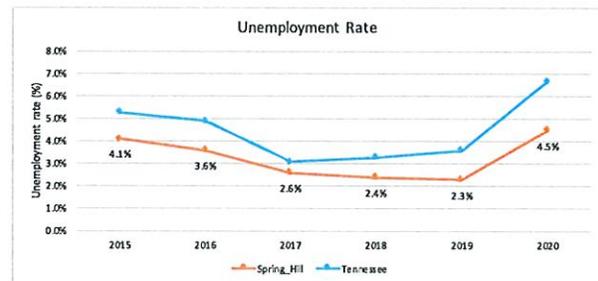
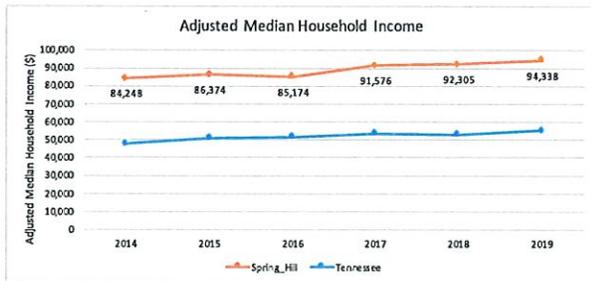
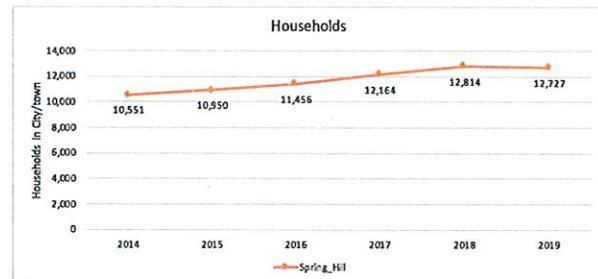
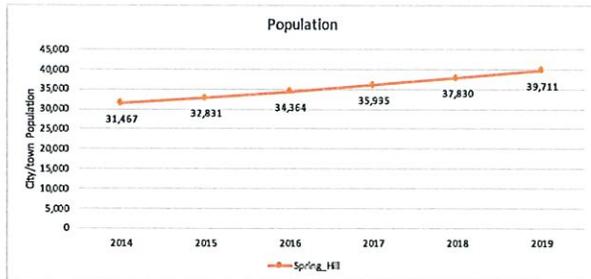
Spring_Hill	2010	2018
Population	25,415	39,711
Median Age (years)	31.0	33.8
Median Household Income	\$86,284	\$94,338

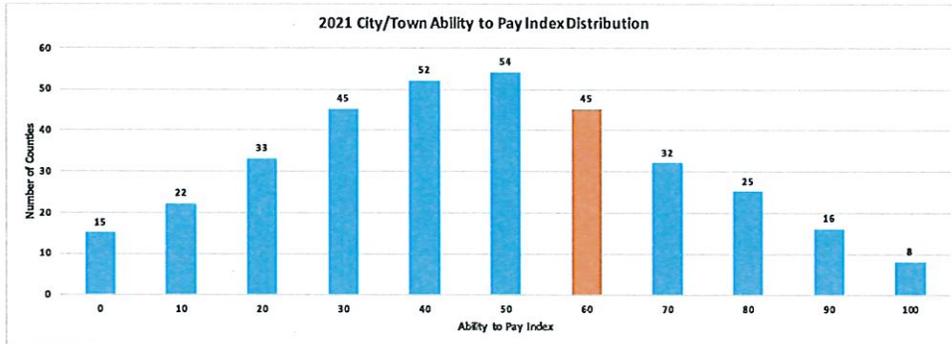
Ability to Pay Index
100

The population and household trend charts demonstrate the changes over time at the city/town level. Median household income, unemployment rate, poverty level and food stamp dependence trends over time are presented for the city/town and Tennessee.



The Ability to Pay Index distribution provides an overview of the number of cities/towns that fall in the range from 0 to 100. An Ability to Pay Index of 0 indicates an economically distressed community and that of a 100 indicates a wealthy community. The city/town specific Ability to Pay Index is highlighted in orange.



Variable	Year(s)	Source
Population	2010 and 2019	American Community Survey 5-Year Estimates Population
Unemployment	2020 December	Tennessee Labor Market Report
Median household income	2019	American Community Survey 5-Year Estimates Median Household Income in the past 12 months
Poverty	2019	American Community Survey 5-Year Estimates Poverty Status in the past 12 months
Food stamps	2019	American Community Survey 5-Year Estimates Food Stamps/Supplemental Nutrition Assistance Program

