



TDEC ARP COMPETITIVE GRANT PROGRAM WEBINAR

April 2023

Agenda

- **Opening**
 - Grant Program Overview
 - Grant Program Timeline
 - Grant Eligibility
- **Grant Manuals Overview**
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 - Co-funding Requirements
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- **Grant Application Information**
 - Application Submission
 - Application Evaluation
 - Resources

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.

Timeline

March 30, 2023

Grant Manuals Released

June – August 2023

Grant Workshops & Engagement Sessions

August – October 2023

Review, Evaluate, & Recommend Awards

February 2024

All Contracts Executed

May 2023

Open Application Solicitation

August 2023

Close Application Solicitation

October 20, 2023

Announce Awards

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**

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

A scenic view of a waterfall cascading over layered rock formations into a pool of water surrounded by large boulders and lush greenery. The waterfall is multi-tiered, with water flowing over horizontal rock strata. The foreground is dominated by large, smooth boulders and a large, gnarled tree trunk. The background shows a dense forest of green trees under a blue sky with light clouds.

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**.

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.

Project Award Types

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

Regionalization Funding

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

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

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	



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
- **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
- Planning, Design, and Construction
- Construction Only

Potable Water Reuse*:

- Investigation and Planning
- Investigation, Planning, and Design

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

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
Engineering Design/Other Engineering Services	Admin/Inspection
Survey	Permits/Easement
Bidding Services	



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

Co-funding sources:

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

Grant applicants with an associated ATPI of...

< 60

60 - 80

90 - 100

Have a co-funding requirement of...

5%

15%

20%

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.

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 are 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 are 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.





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

Application Evaluation Methodology

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.



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.

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.

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

Resources

- [Regionalization Grant Manual](#)
- [Water Reuse Grant Manual](#)
- [Resource Protection Grant Manual](#)
- [State Strategic Projects Framework](#)
- [TDEC ARP Website](#)





Questions?