



Department of
**Finance &
Administration**

ARPA Local Fiscal Recovery Fund Local Government Assistance

*Tennessee Municipal League Annual Conference
September 20, 2021*

Agenda

- Local Government Technical Assistance Program
 - Webinar series
 - Eligibility review of spend plans
 - Ongoing communications and assistance
- ECD overview of broadband infrastructure opportunities
- TDEC overview of water & sewer infrastructure opportunities



**Local Government
Technical Assistance
Program**

Local Government Technical Assistance Program

- All local governments who receive funds under the FRF will be responsible for reporting requirements imposed by Treasury and will be financially liable for any expenditures that are deemed ineligible.
- Objective of the program is to aid local governments in addressing the challenges presented by managing this unprecedented funding.
- Program will ensure all local governments have access to resources and unified communications from State officials, and a consistent protocol for planning and implementing the ARPA funds.

Local Government Technical Assistance Program

- The program open to all counties, metropolitan cities, and NEUs who receive funds under FRF.
- Program will consist of:
 - Webinar series over the course of ten weeks
 - Eligibility review of annual spend plans
 - Ongoing communication via State FRF website and monthly newsletter

Webinar Dates and Topics

- 9/22/2021 – Treasury Reporting Requirements
- 9/29/2021 – Eligibility: Water & Sewer Infrastructure with TDEC
- 10/6/2021 – Eligibility: Broadband Infrastructure with ECD
- 10/13/2021 – Eligibility: Revenue Loss
- 10/20/2021 – Eligibility: Public Health Response
- 10/27/2021 – Eligibility: Economic Response
- 11/2/2021* – Eligibility: Equity-Based Services
- 11/10/2021 – Eligibility: Premium Pay
- 11/17/2021 – Spend Plan Development (Eligibility Review)

*NOTE: This webinar will take place on a Tuesday instead of Wednesday.



Broadband Infrastructure

American Rescue Plan

- On August 4, 2021, the FSAG approved **\$500** million of Tennessee's ARP FRF for broadband projects.
 - \$400 million for infrastructure in unserved areas
 - \$100 million for programs to encourage adoption and usage of broadband
- ARP expenses deadline – December 2026 but State will likely impose shorter project deadline
- Awaiting Final Rule from US Treasury to determine specific requirements around eligible uses.

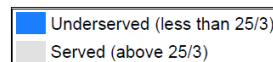
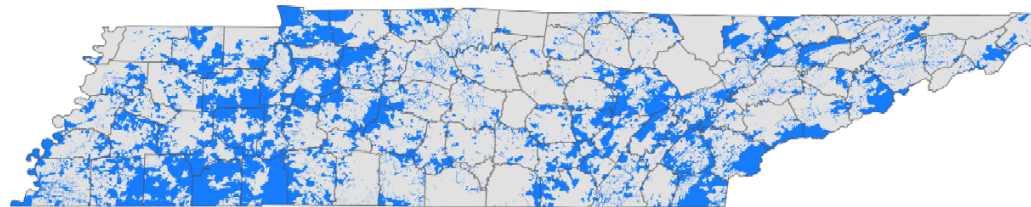
American Rescue Plan

Strategy	Program	Description	Funding	Match
Accessibility	ARP FRF Phase 1	Broadband deployment in unserved areas Two Parts: <ul style="list-style-type: none"> • <u>Distressed County Connectivity Fund</u> targeted to projects providing ubiquitous broadband service to remaining unserved distressed, at-risk counties • <u>Broadband Local Match Fund</u> targeted to projects located in political subdivisions supporting project with local ARP funds. 	\$400M	70/30 but can vary based on community needs
		Subtotal	\$400M	\$80-120M
Adoption	Residential service subsidy	Temporary subsidy to qualifying households to cover expense of 100mb/100mb broadband service	\$50M	80/20
	Community Connectivity	Provide connectivity to community anchor institutions. Support digital literacy programs. Examples may include schools, libraries, public safety buildings, public housing authorities, state offices, or state parks.	\$44M	80/20
	Downtown Wi-Fi	Connecting downtown business districts with free public wi-fi	\$2M	80/20
	Subtotal		\$96M	~\$20M
Admin	1%-3%	Contracted services for mapping, project certification, technical assistance, grants administration and internal program management	\$5-15M	
TOTAL			\$500M	~\$100-140M

Next Steps

- Meet with your local communities and/ or providers **as soon as possible**
- Discuss broadband problem areas or issues and opportunities to partner
- ECD will be encouraging a local community match

Note - Communities may be required by US Treasury to conduct RFPs to identify provider partner





Sewer and Water Infrastructure

ARP Water/Wastewater Eligibility

Current Eligibility Based on US Treasury's Interim Final Rule

Water and wastewater infrastructure projects that align with clean water and drinking water SRF eligibility, such as:

- Comprehensive asset management
- Line replacement
- Plant/facility upgrades
- Regionalization and consolidation
- Stormwater management
- Nonpoint source pollution
- Water conservation and energy efficiency
- Water storage
- Workforce training

Final Rule anticipated Late Fall 2021

Proposed Approach to Funds Disbursement

Proposed Disbursement Strategies

- Formula-Based Grants
- State Strategic Projects
- Competitive Grants

Priorities Emphasized

- Comprehensive asset management planning
- Water loss and infiltration/inflow reductions
- Water quality
- Optimization and modernization
- Replacement of lead service lines
- Managing stormwater and green infrastructure
- Consolidation and regionalization
- Managing risk and building resilience to multiple hazards
- Enhancing service to underserved communities
- Partnerships
- Fiscal sustainability



Approach to Funds Disbursement

Formula-Based Grants + State Strategic Projects + Competitive Grants

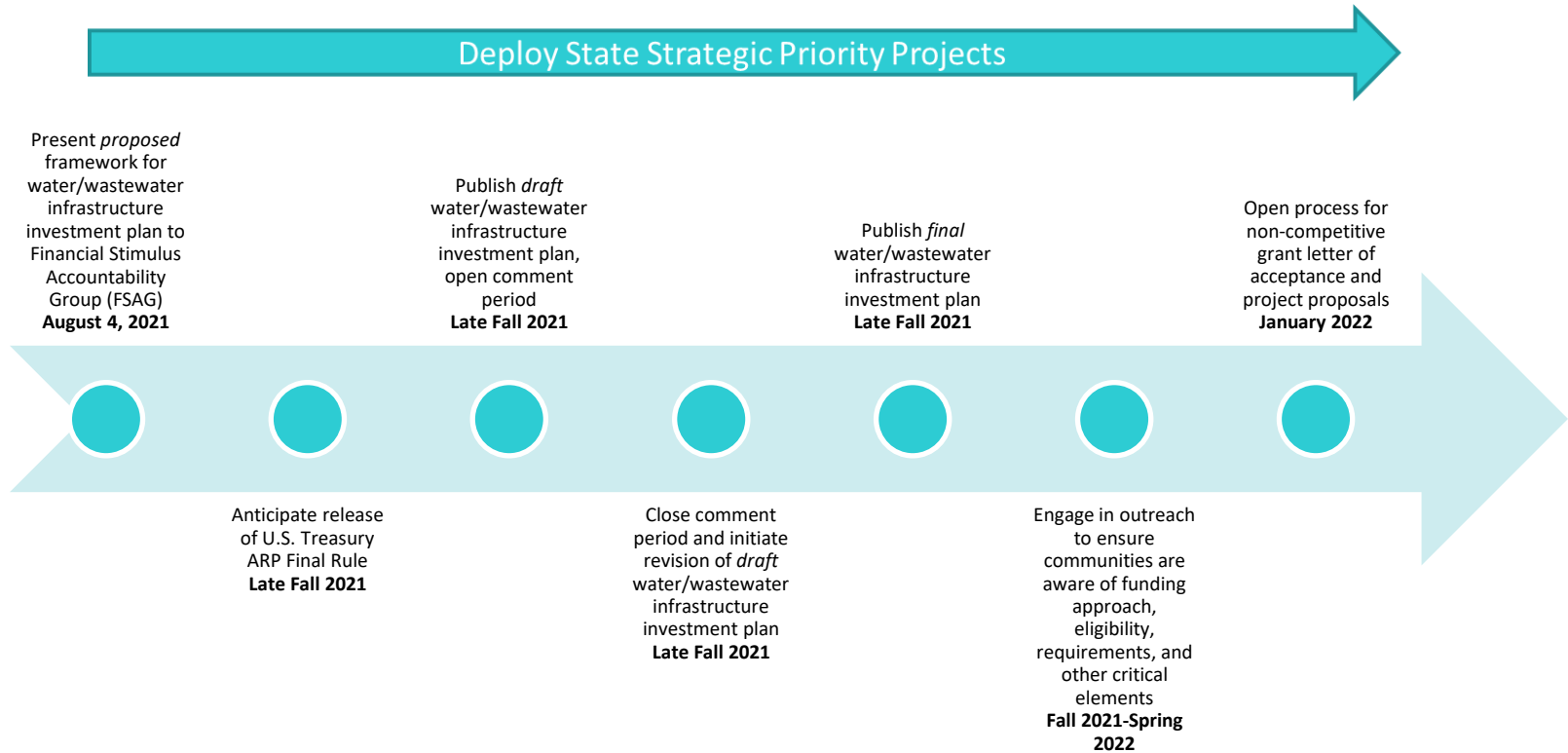
- **Formula-Based, Noncompetitive Grants**
 - Provide funding for eligible projects that meet minimum requirements, subject to availability of funds and TDEC approval
 - Encourage cooperation between counties, locals, and utilities
 - Empower local communities or utilities to select projects, with guidance from TDEC
 - Each county eligible to receive a base allocation plus a portion of monies based on county population
 - TDEC to publish proposed allocations for each county in mid-September as part of its draft investment plan
 - Sliding scale for match requirements based on Ability to Pay Index and other considerations

Potential Approach to Funds Disbursement

Formula-Based Grants + State Strategic Projects + Competitive Grants

- Potential State Strategic Projects
 - Infrastructure Scorecards for All Utilities (confirmed)
 - Funding for Select Community Development Block Grant and Infrastructure Planning Grants
 - Non-Competitive Grant Program Project and Proposal Development Support for Small and Disadvantaged Communities
 - New SRF Loan Incentive
 - State Agency Priority Projects (including General Services projects)
 - Industrial Site Development Projects
 - Major Regional Water Supply Projects
 - Statewide IT/GIS Project
 - Education and Workforce Development Projects
- Competitive Grants
 - Funded by unused noncompetitive grant allocations and remaining funds from state strategic projects
 - Supports innovative approaches to enhancing water/wastewater infrastructure and implementation of best practices

Anticipated Timeline



Infrastructure Scorecard

<https://www.tn.gov/environment/program-areas/wr-water-resources/srpf/srf-home/resources-and-technical-assistance/tn-infrastructure-scorecard.html>

Version 2.0 coming November 2021

ASSET MANAGEMENT		SYSTEM INFORMATION SHEET		WASTEWATER TREATMENT PLANT	
Facility Name:	NPDES/PWSID:	Facility Name: Permit Number:		Type of wastewater treatment plant facility	SELECT
I. Asset Management Overview*		Does your facility have any significant non-compliance issues?		Age of wastewater treatment plant facility	SELECT
Does your utility have an asset management plan (AMP)?	SELECT	No		Facility Hydraulic Design Capacity, MGD	
Is your asset management plan in a accessible format?	SELECT	If yes, are the SNC's* reoccurring?		COLLECTION SYSTEM	
When is your asset management plan updated?	SELECT	SELECT		Type of collection system	SELECT
II. Current State of Utility Assets*		Is your facility under a State mandated compliance order?		Age of collection system in total years	SELECT
Does your utility have an inventory of assets?	SELECT	SELECT		Number of sanitary sewer connections	
Does your utility have assets mapped digitally using GIS or other technology?	SELECT	Does your collection system have current GIS* mapping ?		Number of commercial & industrial sewer connections	
If your system is mapped, is it linked to your AMP inventory?	SELECT	SELECT		Total system miles of line	
III. Level of Service*		Does your collection have an ongoing CMOM* program?		Total system number of lift stations	
Does your utility meet current regulatory requirements?	SELECT	SELECT		Total system number of manholes	
Does your utility have clear goals that meet customer expectations?	SELECT	Is your collection system actively addressing current I/I issues?		KEY TERMS	
How does your utility system communicate with the customer?	SELECT	SELECT		SNC: Significant-Non Compliance	
IV. Critical Assets and Sustainability*		Does your facility/system have any scheduled plans for upgrades?		CMOM: Capacity, Management, Operation, and Maintenance	
Does your utility assess the probability of failure for inventoried assets?	SELECT	Yes			
Does your utility understand the consequences of individual asset failures?	SELECT	WASTEWATER I/I ASSESSMENT TOOL			
Does the utility rank assets based on probability and consequence of failure?	SELECT	Average Daily Dry Weather Flow (ADDWF): What is the lowest 7-day consecutive flow your facility has experienced within the last year in MGD? (7 consecutive day low flow average.)		MGD	
V. Life Cycle Costs*		Average Daily Flow (ADF): Calculate the influent average daily flow based on the most recent 12 month or annual basis. (Make sure the year for your ADF calculation is the same year for your ADDWF calculation.)		MGD	
Does your utility use system knowledge to be proactive in O and M and replacement issues?	SELECT	Average Daily I/I Rate (aO/I)		MGD	
Does your utility consider life cycle costs when making infrastructure investment decisions?*	SELECT				
Does business risk drive investment in assets?	SELECT				
FOOTNOTES INDICATED BY ASTRICK (*) LISTED BELOW					

*I: It is recommended that a utility system have an asset management plan, the AMP is updated regularly, and is accessible and a and other relevant local officials.

*II: It is recommended a utility system have an inventory of all assets, the inventory is updated regularly, and updated maps of as



Next Steps

Next Steps

- Request funding.
- Exercise caution in considering the eligibility of expenditures and management of related projects when obligating and expending funds.
- Perform a full review of all available resources
 - <https://www.tn.gov/finance/coronavirus-local-fiscal-recovery-fund--state-guidance-for-local-governments/tennessee-department-of-finance-and-administration-local-government-support-program.html><https://comptroller.tn.gov/about-us/learn-about-our-office/administration/covid-19-guidance-for-local-governments.html>
 - <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>
- Register for the webinar series.

Questions?

Please contact TNARPA.Support@hornellp.com.