



ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

May 22, 2024

To: Terrence D. McCracken, Secretary to the Authority

From: Michael W. Wymer, PE, Senior Production Engineer *MWW*

Subject: Board Authorization to File Grant Application
Lead Service Line Replacements
LCRR Program Management - Contract MP-091
ECWA Project No. 202200135

A funding application will be submitted to the New York State Environmental Facilities Corporation under the Water Infrastructure Improvements Grants (WIIA) program to fund the replacement of approximately 1,000 residential lead service lines.

The project will target replacements in the Cities of Tonawanda and Lackawanna, Towns of Amherst, Cheektowaga, Clarence, Eden, Hamburg, Lancaster, Marilla, Newstead, Orchard Park and West Seneca, and Villages of Blasdell, Depew, Hamburg, Lancaster, Sloan, and Williamsville. The project scope includes the replacement of up to 1,000 known lead service lines. At least 15.5% of the lead service lines planned for replacement are located within Environmental Justice areas.

A complete application for this funding requires a resolution from the Board of Commissioners supporting the planning, design and construction, and funding of the project along with filing the grant application.

Specific to resolution wording as to funding, as debt will not be issued to finance any portion of this project, the resolution must state that the Board authorizes the undertaking of the project and the source of all funding (beyond that provided by the grant) will originate from money authorized by the Board as part of the current 2024 capital budget (cash on hand). The resolution must also designate a representative of the applicant who is authorized to sign the funding agreement with EFC and any associated documents.

The Authority's engineering staff, with the assistance of Arcadis, is in the process of completing the grant application package which is due on June 14, 2024.

Attached for information is a summary document for the 2024 WIIA Grant Program.

MWW:jmf/

Attachment

cc: L.Kowalski

CONT-MP-091-2101-X-07

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ERIE COUNTY WATER AUTHORITY
AUTHORIZATION FORM
For Approval/Execution of Documents
(check which apply)

Contract: <u>MP-091</u>	Project No.: <u>202200135</u>
Project Description: <u>Lead and Copper Rule Revisions (LCRR) Program Management</u>	

Item Description:


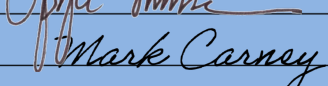
<input type="checkbox"/> Agreement	<input type="checkbox"/> Professional Service Contract	<input type="checkbox"/> Amendment	<input type="checkbox"/> Change Order
<input type="checkbox"/> BCD	<input type="checkbox"/> NYSDOT Agreement	<input type="checkbox"/> Contract Documents	<input type="checkbox"/> Addendum
<input type="checkbox"/> Recommendation for Award of Contract	<input type="checkbox"/> Recommendation to Reject Bids		
<input type="checkbox"/> Request for Proposals			
<input checked="" type="checkbox"/> Other <u>Board Resolution for Grant Application (2024)</u>			

Action Requested:


<input type="checkbox"/> Board Authorization to Execute	<input type="checkbox"/> Legal Approval
<input type="checkbox"/> Board Authorization to Award	<input type="checkbox"/> Execution by the Chairman
<input type="checkbox"/> Board Authorization to Advertise for Bids	<input type="checkbox"/> Execution by the Secretary to the Authority
<input type="checkbox"/> Board Authorization to Solicit Request for Proposals	
<input checked="" type="checkbox"/> Other <u>Board Resolution for WIIA Grant Application (2024)</u>	

Approvals Needed:

APPROVED AS TO CONTENT:

<input checked="" type="checkbox"/> Sr. Production Engineer	<u></u>	Date: <u>5/22/2024</u>
<input checked="" type="checkbox"/> Chief Operating Officer	<u></u>	Date: <u>05/23/2024</u>
<input checked="" type="checkbox"/> Executive Engineer	<u></u>	Date: <u>5/23/2024</u>
<input type="checkbox"/> Director of Administration	_____	Date: _____
<input type="checkbox"/> Risk Manager	_____	Date: _____
<input checked="" type="checkbox"/> Chief Financial Officer	<u></u>	Date: <u>05/23/2024</u>
<input checked="" type="checkbox"/> Legal	<u></u>	Date: <u>5/23/2024</u>

APPROVED FOR BOARD RESOLUTION:

<input checked="" type="checkbox"/> Secretary to the Authority	<u></u>	Date: <u>5/24/2024</u>
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Remarks: _____

Resolution Date: _____	Item No: _____
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GRANT SUMMARY

NYS WATER INFRASTRUCTURE IMPROVEMENT (WIIA) & NYS INTERMUNICIPAL WATER INFRASTRUCTURE GRANT (IMG) PROGRAMS

OVERVIEW

The New York State Environmental Facilities Corporation (EFC) is offering \$325 million in grants for clean and drinking water projects to selected municipalities with infrastructure projects that protect public health and/or water quality. EFC and the NYS Department of Health (DOH) will evaluate all applications for projects received by the due date (**5:00 p.m. on Friday, June 14, 2024**) based on factors including protection of public health and water quality; median household income; population served; governmental and community support; environmental justice considerations; and the readiness of the project to proceed.

PROGRAM CHANGES:

The following changes have been made for this round of WIIA/IMG grant funding:

- For Clean Water projects only, enhanced WIIA award for certain small, rural, and disadvantaged communities (population less than or equal to 3,500).

AVAILABLE FUNDING

WIIA Clean Water Projects

An applicant with an eligible clean water project(s) may receive WIIA grant funding as described below:

- A *project*, which includes all phases of the project, may be awarded the lesser of \$25 million or 25% of net eligible project costs (total eligible project costs less any third-party grants awarded for the project) estimated at time of application.
- Any grants administered through EFC will not be used to calculate net eligible project costs.

Projects serving small, rural, and disadvantaged communities with a population of 3,500 or less may qualify for an enhanced WIIA award which will fund **50%** of net eligible project costs. To qualify for the enhanced WIIA award:

- the community must meet the hardship criteria as defined in the [2024 Clean Water Hardship Policy](#)¹; OR
- the project (without the grant) would result in residential user rates exceeding 1.5% of the Median Household Income (MHI) of the community.

¹ Municipalities may submit an Income Survey if they have determined that the American Community Survey (ACS) data does not accurately reflect their MHI. The 2021 ACS Statewide MHI for New York State is \$75,157, which is adjusted for certain counties by a Regional Cost Factor (RCF). Please see the [CWSRF Hardship Policy](#) for additional information.



A municipality may apply for a WIIA grant for more than one project, but each municipality is limited to receiving no more than a \$5 million allocation per year. Once a municipality reaches the \$5 million annual allocation for its highest scoring project, it is not eligible for additional grant on other projects in that year. A municipality with a larger project with net eligible project costs exceeding \$20 million, may receive the lesser of \$25 million or 25% of net eligible project costs but may not receive additional grant on other projects that year. If a municipality is awarded grant funds totaling more than \$5 million for a project, the grant will be allocated over multiple years in increments not to exceed \$5 million per year.

If a municipality applies for more than one project during the current round, EFC will prioritize the awards based on the scores of the projects until all the projects have received 25% of net eligible project costs or the \$5 million cap per municipality has been reached. If the highest scoring project submitted by the municipality is awarded a grant that exceeds \$5 million, the remaining applications will not be eligible for additional grant in the current round.

WIIA Drinking Water Projects

An applicant with an eligible drinking water project may receive WIIA grant funding as described below:

- A project addressing an emerging contaminant (EC) above the current State determined Maximum Contaminant Level (MCL) may be awarded 70% of net eligible project costs with no cap.
- All other projects, which include all phases of the project, and including a project that addresses an EC below the State MCL may be awarded the lesser of \$5 million or 60% of net eligible project costs.
- A Municipality may apply for a WIIA grant on more than one project, but each municipality is limited to receiving no more than \$5 million per year, unless they have a project(s) that address an EC above the current State determined MCL.

Excluding EC projects, municipalities are limited to \$5 million of combined Drinking Water State Revolving Fund (DWSRF) Base grant, DWSRF Bipartisan Infrastructure Law (BIL) General Supplemental grant, and WIIA grants annually.

IMG Clean Water and Drinking Water Projects

Cooperating municipalities with an eligible project may receive an IMG grant award as described below:

- The lesser of \$30 million or 40% of net eligible project costs.

A municipality is limited to receiving one IMG grant per year. If a municipality is awarded grant funds totaling more than \$10 million for a project the grant(s) will be allocated over multiple years in increments not to exceed \$10 million per year.



ELIGIBILITY REQUIREMENTS

A WIIA grant or IMG grant is available only to a municipality, which is defined to include a county, city, town, village, district corporation, county or town improvement district, school district, Indian nation or tribe recognized by the state or the United States with a reservation wholly or partly within the boundaries of New York State, any public benefit corporation or public authority established pursuant to the laws of New York or any agency of the State that is empowered to construct and operate a water quality infrastructure project.

Eligible projects include water quality infrastructure projects at municipally-owned sewage treatment works² OR municipally-owned public water systems³ for:

- Construction, replacement, or repair of infrastructure; or
- Upgrades to comply with environmental and public health laws and regulations related to water quality;
- System upgrades and innovative pilot technologies to combat one or more EC, such as PFOA, PFOS and 1,4 dioxane; and
- System upgrades to address combined and/or sanitary sewer overflow impacts from sustained rain events.

Each WIIA and IMG project must meet the following criteria:

- Result in construction for the requested scope;
- Not be for the construction of infrastructure that exclusively supports residential or commercial development;
- Must not have issued a Notice to Proceed before October 1, 2022 for construction of the project;
- Not have completed construction before June 14, 2024; and
- Include the applicable EFC terms and conditions in all contracts.

Each IMG project must meet the following criteria:

- Serve multiple municipalities;
- Be a shared drinking water or sewage treatment infrastructure project, such as:
 - More than one municipality jointly undertaking a capital improvement project,
 - Consolidation of intermunicipal facilities,
 - Joint upgrades to shared water quality infrastructure,
 - Regional wastewater or water facilities, or
 - Interconnection of multiple municipal water systems.
- Have a valid and binding project Intermunicipal Agreement (IMA) between at least two cooperating municipalities for the financing and implementation of the IMG project that describes the proposed project, the role of each municipality, and the costs attributable to each municipality; and
- Designate a “lead municipality” that applies on behalf of all cooperating municipalities.

² Sewage treatment works as defined in ECL § 17-1903.

³ Eligible project as defined in paragraphs (a), (b), (c), and (e) of subdivision 4 of § 1160 of the Public Health Law.



PROGRAM REQUIREMENTS

Program requirements for WIIA and IMG recipients include minority- and women-owned business enterprise (MWBE) participation, equal employment opportunity (EEO), service-disabled veteran-owned business (SDVOB) participation, and smart growth and environmental review.

There are additional program requirements for recipients of WIIA and IMG grants that also utilize SRF financial assistance, including Bipartisan Infrastructure Law (BIL) funds. These requirements include procurement of Architectural/Engineering (A/E) services, American Iron and Steel (AIS), and Davis-Bacon federal prevailing wage requirements.

All contracts entered into by recipients that are to be paid for with WIIA funds, IMG funds, or SRF financial assistance must demonstrate compliance with EFC's program requirements and must include the required contractual language from the applicable [Terms and Conditions](#) in all contracts. Any contracts that do not include the required contractual language, including those executed prior to grant application, will be disqualified from funding.

Additional information on program requirements is available on EFC's website at www.efc.ny.gov, including EFC's terms and conditions and the current Intended Use Plans for the SRF programs.

Please Note: Projects co-funded with BIL federal grant or loan funds are subject to additional federal programmatic requirements. BIL funds will be administered with SRF funds and additional information and updates on BIL are available on EFC's website at www.efc.ny.gov/BIL.

APPLICATIONS

Applicants who would like to be considered for a WIIA and/or IMG grant must submit a grant application and the following required documentation to EFC no later than 5:00 p.m. on **Friday, June 14, 2024**:

- Engineering Report⁴, including a current project schedule and budget
- Complete Environmental Review Documentation
- State Historic Preservation Office (SHPO) Project Review Determination Letter
- Bond/Authorizing Resolution⁵:

⁴ The Engineering Report for projects must conform to EFC's Engineering Report Outline for [clean water projects](#) and [drinking water projects](#).

⁵ For certain WIIA/IMG Grant Only applications, please note the following: Certain applicants may not have the authority to incur debt on their own and pass a bond resolution but may plan to finance the balance of their project with debt issued by a third-party governing municipality. In such a case, a board resolution from the applicant is required with the initial application which formally requests the governing municipality adopt a bond resolution for the project. The bond resolution from the governing municipality, if not adopted at the time of the application, must be received by EFC no later than 6 months from the date of any WIIA award to the applicant.



- *Bond Resolution:* If debt will finance any portion of the project, you must submit a bond resolution that includes the total project costs to be financed, including any SRF financing, and appropriating the local match source.
- *Authorizing (“Board”) Resolution:* If debt will not be issued to finance any portion of the project, you must submit a resolution that authorizes: the undertaking of the project and the total funding appropriated for the project, including the appropriation of any local match source. The resolution must also designate a representative of the applicant who is authorized to sign the funding agreement with EFC and any associated documents.
- If the project is under construction, provide executed construction contract(s) that include the applicable EFC Terms and Conditions.
- If applying for IMG, a valid and binding Intermunicipal Agreement (IMA) between at least two cooperating municipalities for the funding and implementation of the project and prescribing the responsibilities of all parties in relation to the project.
- If seeking SRF financing in addition to grant funds, a complete SRF Financing Application.

Applications must be submitted using the online Application Form located on EFC’s website at www.efc.ny.gov/WIIA. Applications that are submitted without all required information and documentation may be deemed unacceptable and may not be processed. Even if you believe the same documentation has been submitted before, you must include the documentation with the application.

CONTACT US

Please direct all questions about the WIIA or IMG grant programs and application to:

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E-mail: NYSWaterGrants@efc.ny.gov