TN Department of
Environment &
Conservation

ARP COMPETITIVE GRANT WORKSHOP SERIES: WATER REUSE
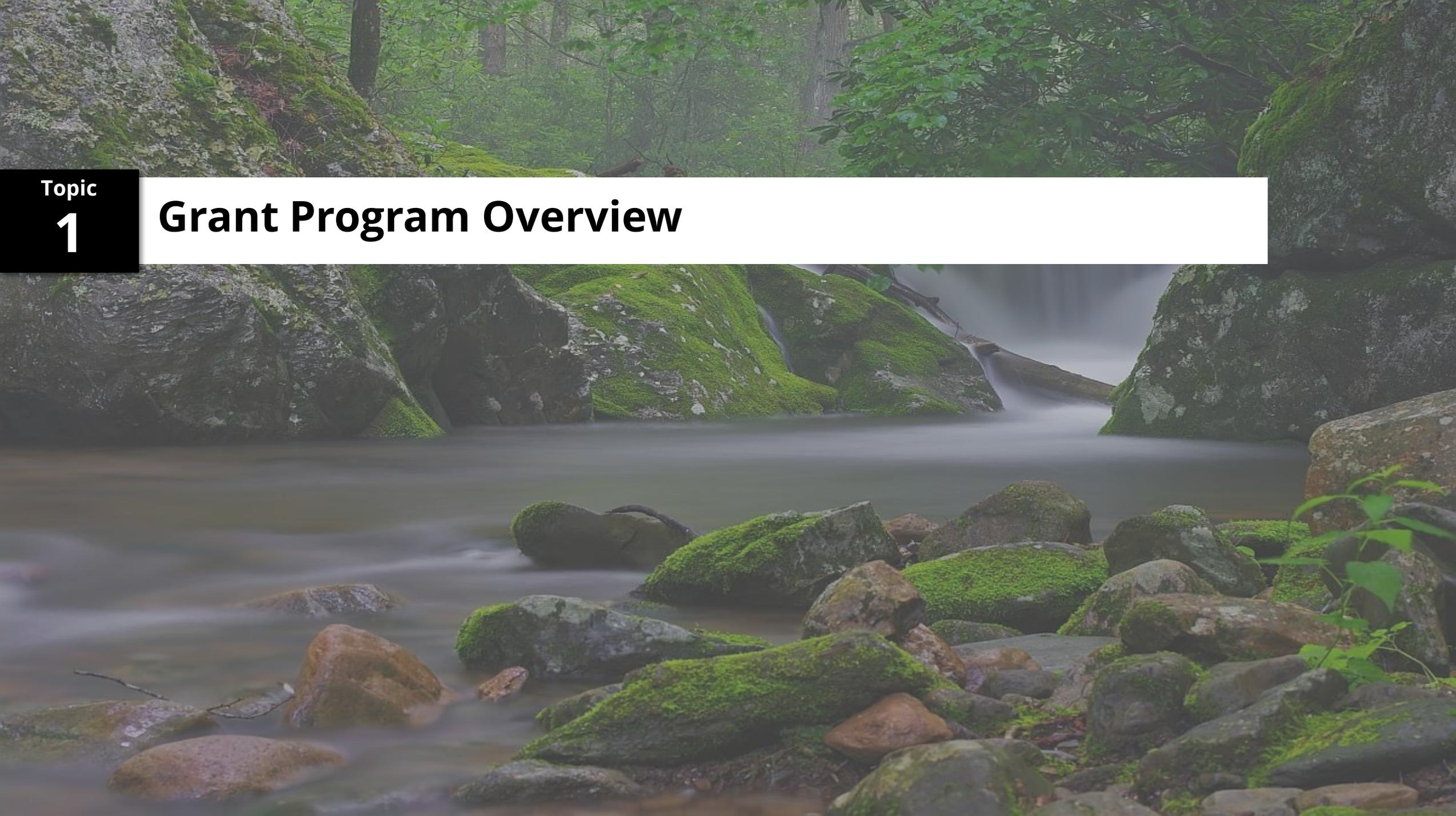
June 2023

Agenda

- Competitive Grant Program Overview

- Water Reuse Grant Information

- Application Submission and Evaluation

- Grant Implementation

- GMS Walkthrough

- Closing

Grant Program Overview

Grant Program Overview

TDEC is allocating **$200 million** in the form of **competitive grants**, with **$50 million** for **water reuse** grants

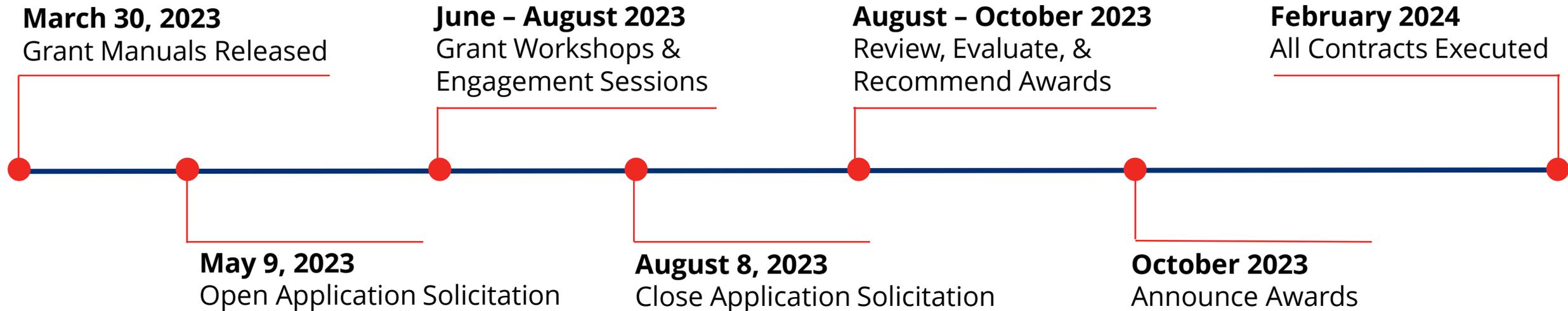Applicants must meet **technical requirements** and demonstrate a **co-funding** commitment

These funds will be distributed for eligible **potable** and **non-potable** water reuse projects

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

Timeline and Expectations

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 9, 2023
Open Application Solicitation

August 8, 2023
Close Application Solicitation

October 2023
Announce Awards

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 only submit **one proposal** as lead applicant **per grant program**, but they may participate as partners on additional proposals

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

Water Reuse Overview - Definition

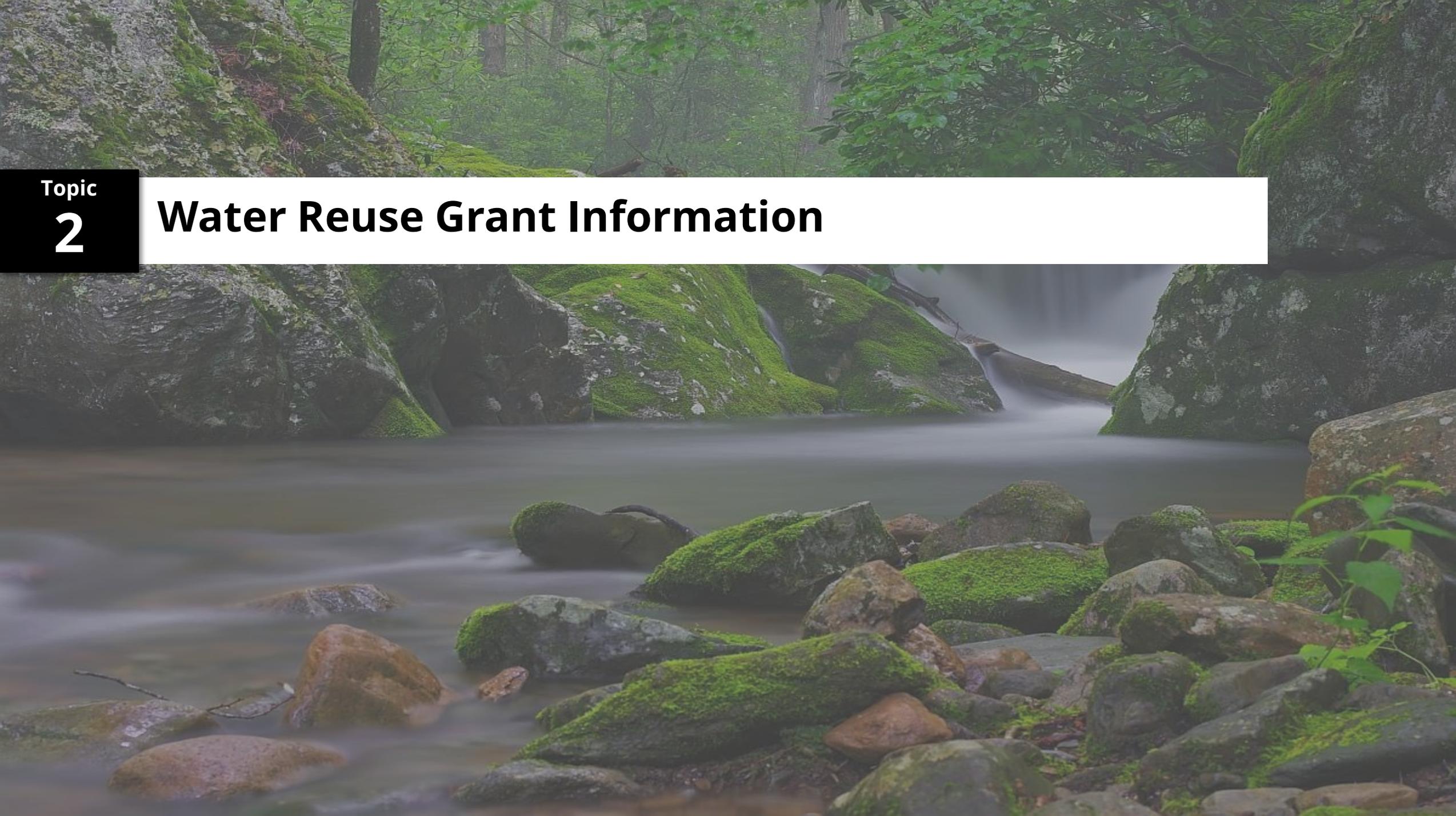|	
Water Reuse Definition:	Water reuse reclaims water from a variety of sources then treats and reuses it for beneficial purposes

The goal of water reuse is to:

Provide alternatives to existing water supplies and wastewater discharge and be used to enhance water security, sustainability, and system resilience

Uses for Recycled Water

The uses for recycled water following water reuse projects include...

Potable Water Reuse*	Non-Potable Water Reuse
Irrigation for agriculture	Irrigation for landscaping
Municipal water supply	Irrigation for athletic fields
	Toilet Flushing
	Concrete Mixing and Construction Water

The State of Tennessee requires a pilot prior to engaging in potable reuse activities and will not fund operation of these systems as a part of this grant program.

Topic 2

Water Reuse Grant Information

Water Reuse Grant 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.

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

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

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

Water Reuse Project 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 is captured, treated, and used for drinking water purposes

These activities 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 CWSRF Eligibilities document and the DWSRF Eligibilities document for additional information

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

Water Reuse Funding

$50 million total in funding will be awarded to water reuse grants

Maximum Proposal Budgets per Project Award Type:

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

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

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

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%

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.

Water Reuse Funding Eligible Activities

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 other 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	Construction Admin/Inspection
Survey	Permits/Easement
Bidding Services	Permits/Easement

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, as well as submittal
Reporting
Compliance assurance
Monitoring
Direct or indirect costs associated with administering the grant award

TN

Example Application Scenario #1

Potable Water Reuse Example

Scenario: 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.
- Monroe County has a co-funding requirement of 5% ($150,000).

Funding Scenario:

- Total project budget: $3 million
- Co-funding percentage: 5%
- Required co-funding: $150,000
- Allowable administrative expenses: $180,000 (6% of $3 million)
- Total grant dollars requested: $2,850,000

Example Application Scenario #2

Non-Potable Water Reuse Example

Scenario: 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.
- The City of Dekalb has a co-funding requirement of 15% ($750,000).

Funding Scenario:

- Total project budget: $5 million
- Co-funding percentage: 15%
- Required co-funding: $750,000
- Allowable administrative expenses: $300,000 (6% of $5 million)
- Total grant dollars requested: $4,250,000

Application Submission and Evaluation

Application Submission Guidance

Alignment with the definition of water reuse is critical in determining suitability for funding

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

While specific **activities may be eligible** under the water reuse 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**

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

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)

Description and narrative of proposal

Uploaded Tennessee Infrastructure Scorecard for lead applicant and any partners

Detailed proposal and project budget and deliverables timeline

Co-funding requirements

Proposal details – 250-word responses to 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 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.

Evaluation Criteria

Community/System Considerations – 40 Points

Criteria	Max Points
Technical, managerial, and financial (TMF) capacity of the applicant	10
Current drought capacity	5
Current assimilative capacity of receiving stream	5
Use of non-competitive funds to address critical system needs	10
Demonstration of end market for produced water	5
Historical demonstration of enhanced public education and outreach	5

Proposal Considerations – 60 Points

Criteria	Max Points
Alignment with definition of water reuse	10
Demonstration of drivers for water reuse activities, including consideration of drought capacity and the assimilative capacity of the receiving stream	20
Potable water that will be offset by reused water	5
Project outcomes will positively impact an impaired stream for the specific impairment issue	10
Plan for enhanced public education and outreach	5
Project activities are defined as resilient, sustainable, environmentally innovative, and green according to EPA guidance	10

Note: TDEC aims to dedicate 50% of funding to proposals involving construction and 50% of funding to non-construction proposals.

23

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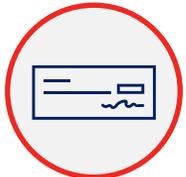
Please note that **TDEC may select parts of a proposal for funding** and may offer to fund less than the eligible grant amounts or a smaller amount than requested in the application.

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.

Grant Implementation
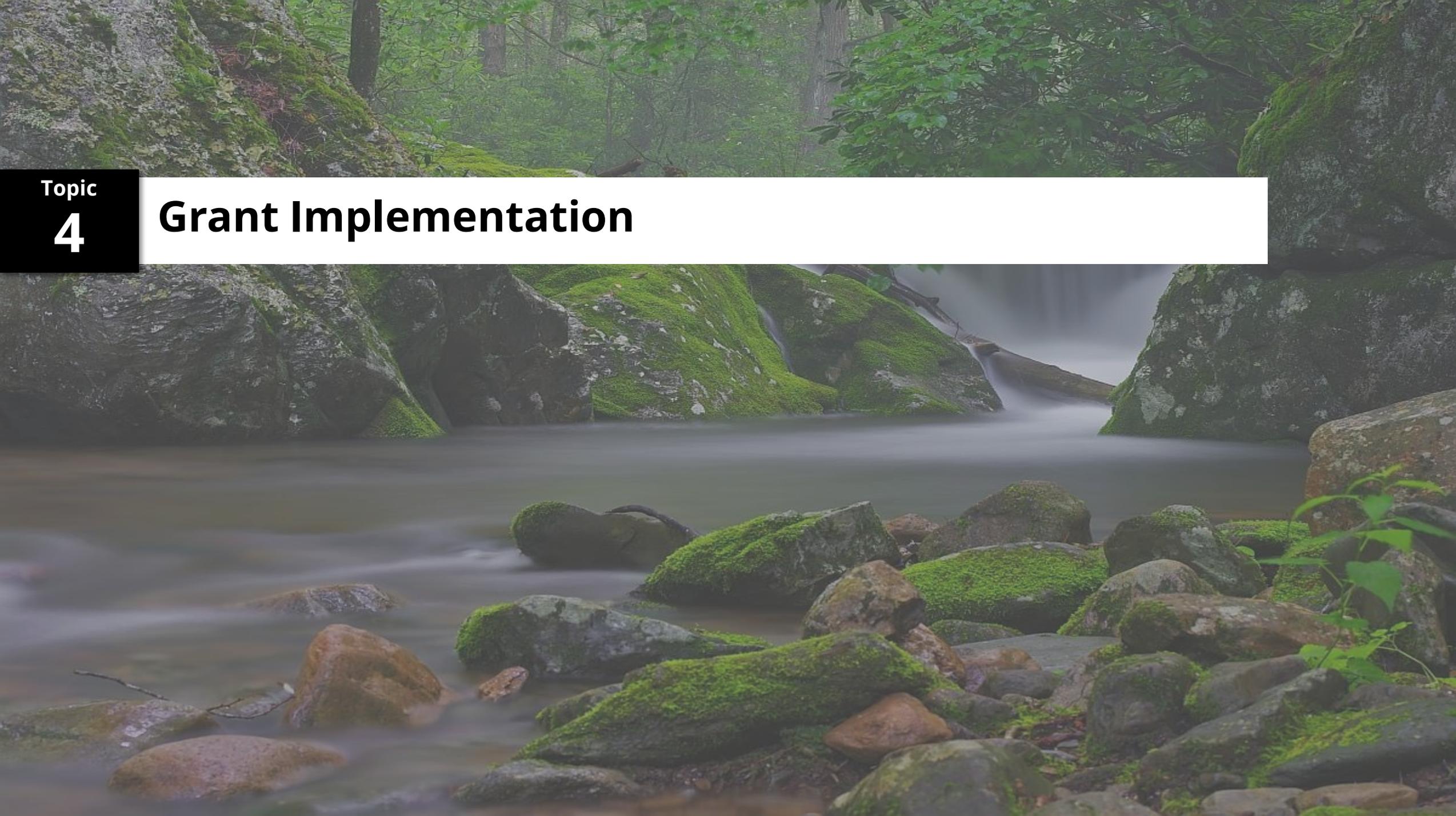
Grant Schedules and Requirements

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**.

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

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

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.*

GMS Tip #1: Creating a new Water Reuse 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

GMS Water Reuse Application Tabs

Below are the tabs you will find in GMS for water reuse 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. Non-Potable Water Reuse
12. Potable Water Reuse
13. Authorization
14. Self Debarment Verification
15. Pre-Application Submission Authorization
16. Applicant Acknowledgments
17. 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

33

General Proposal Information Tab

Main
Notes

2023-9464 (Sunshine, City of)

How to Create New Activity

Application Status: Draft   **Application Type:** DWR-ARP Water Reuse Grants State Water Infrastructure Grants (SWIG)

Application ID: 2023-9464 (Sunshine, City of)

PURPOSE AND OVERVIEW   TIMELINE, ELIGIBILITY & FUNDING   SELECTION CRITERIA   RESOURCES AND CONTACT   TITLE VI COMPLIANCE   GENERAL INFORMATION   BUDGET AND ATTACHMENTS   **GENERAL PROPOSAL INFO**   PARTNER INFORMATION   NARRATIVE QUESTIONS   NON-P

⌄ 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."

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. 501(c)(3) non-profits should use the ATPI that best matches the city or county benefitting from the project.

* Applicant Name:		* Mailing Address:	
* City:		* State:	Please Select ⌄
* Zip:		* Phone Number:	
* Email Address:		* DUNS Number:	
* UEI Number:		* Population Served:	
* ATPI:		* Proposal Budget (in $):	

* Description of Proposal

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

* Water Reuse Type

Please Select ⌄

> Information from Lead Applicant

...

> Total Project Information

General Proposal Information Tab Cont.

Notes

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. 501(c)(3) non-profits should use the ATPI that best matches the city or county benefitting from the project.

* Applicant Name: [_____]

* Mailing Address: [_____]

* City: [_____]

* State: [Please Select ▾]

* Zip: [_____]

* Phone Number: [_____]

* Email Address: [_____]

* DUNS Number: [_____]

* UEI Number: [_____]

* Population Served: [_____]

* ATPI: [_____]

* Proposal Budget (in $): [_____]

* **Description of Proposal**

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

[_____]

* **Water Reuse 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

Non-Potable Water Reuse and Potable Water Reuse Tabs

- The **Non-Potable Water Reuse _OR_ Potable Water Reuse** tab will need to be completed based on applicant response to the "_Water Reuse Type_" question on the **General Proposal Info** tab. The questions for each tab are identical.

Water Reuse Narrative Questions Tab

2023-9464 (Sunshine, City of)

How to Create New Activity

Application Status: Draft

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

Application ID: 2023-9464 (Sunshine, City of)

ORMATION | **NARRATIVE QUESTIONS** | NON-POTABLE WATER REUSE | POTABLE WATER REUSE | AUTHORIZATION | SELF DEBARMENT VERIFICATION | PRE-APPLICATION SUBMISSION AUTHORIZATION | APPLICANT ACKNOWL

⌄ Narrative Questions

* 1. How did the applicant utilize non-competitive funds to address system critical needs? (C4 in scoring rubric; 10 total points)

[text box]

250 words left

* 2. Provide demonstration of a sufficient end market for reuse water. (C5 in scoring rubric; 5 total points)

[text box]

250 words left

* Upload any supporting documentation to demonstrate the end market

[upload button]

* 3. Describe historical enhanced public engagement and outreach efforts and if such efforts are planned for this project. (C6 in scoring rubric; 5 total points)

[text box]

250 words left

* 4. How does the proposal align with the definition of water reuse? (P1 in scoring rubric; 10 total points)

Water Reuse Narrative Questions Tab Cont.

* 5. Describe the need for water reuse efforts. What are the specific drivers for water reuse? (P2 in scoring rubric; 20 total points)

250 words left

* 6. How much potable water is anticipated to be saved/offset through water reuse activities? This should be reported as a % of total potable water utilized by the entity. (P3 in scoring rubric; 5 total points)

250 words left

* 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; 10 total points)

250 words left

* 8. Describe any past enhanced public education and outreach efforts conducted by the lead applicant. (P5 in scoring rubric; 5 total points)

250 words left

* 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; 10 total points)

EPA guidance

250 words left

‹ BACK   NEXT ›

Save Draft   ✔ Submit

Notes

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 of time

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

Resources

- Water Reuse Grant Manual

- TDEC Grants Management System

- Competitive Grant Program Frequently Asked Questions

- State Strategic Projects Framework

- TDEC ARP Website

tdec.arp@tn.gov

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