Get Your Shovels Ready!

POSITIONING FOR INFRASTRUCTURE STIMULUS FUNDING

Today’s Presenters

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Jessica has over 20 years of municipal planning and financing experience in legislative and regulatory affairs, public entity grants and loans, contract administration, and community relations.

Leslie Dumas
Leslie is a hydrologist, water resource engineer and project manager with 30 years of experience navigating environmental and permitting requirements for essential infrastructure.

Brent Bridges
Brent has over 30 years of experience in the design, funding, permitting, and construction of water and wastewater infrastructure.
Agenda

What the Stimulus Package Might Look Like
Lessons Learned from ARRA
How to Position for Funding
Funding Readiness & Best Practices
Wrap Up: What to Do Now

What Will the Stimulus Look Like?
What to Expect from the Stimulus Funding

House Democrats “Moving Forward Framework” (1/30/20)

5-year, $760 billion infrastructure package

- $50.5 billion Clean water/wastewater
- $10 billion Water infrastructure
- $25.4 billion Drinking water
- $2.7 billion Brownfield restoration

President Trump (3/31/20)

“$2 trillion infrastructure package focused on jobs and rebuilding infrastructure”

Senate Environment and Public Works Committee draft legislation (4/21/20)

- $17 billion America’s Water Infrastructure Act of 2020
- $2.5 billion Drinking Water Infrastructure Act of 2020
What to Expect from the Stimulus Funding

Surface Transportation Bill is set to expire 9/30/20

- Requests for emergency stabilization funding for both state & local governments
- Financial Impact of Covid-19 on Water & Wastewater Utilities to exceed $27 Billion
  - AWWA/Association of Metropolitan Water Agencies/Raftelis
- "Wait and See" approach
  - States reopening
  - Potential Phase 4 Stimulus?
What to Expect from the Stimulus Funding

Money will funnel through existing programs

- Packing green infrastructure & resiliency into projects – shift from “environmental sustainability” to "fiscal sustainability"
Lessons Learned from ARRA

Everything happened fast!

- **SUMMER 2008**: News of stimulus funding coming
- **DECEMBER 2008**: States begin soliciting list of shovel-ready projects
- **JANUARY 15, 2009**: House Democrats and Obama Administration release 2-year $825B economic recovery plan
- **FEBRUARY 15, 2009**: ARRA signed into law
- **FEBRUARY-APRIL 2009**: First round of applications/pre-applications due
- **FEBRUARY 17, 2009**: SRF projects under contract or construction
- **FEBRUARY 17, 2010**: SRF projects under contract or construction
### Lessons Learned from ARRA

If this stimulus follows a similar pattern...

<table>
<thead>
<tr>
<th>Time</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>Spring 2020</td>
<td>States begin soliciting list of shovel-ready projects</td>
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<tr>
<td>June 2020</td>
<td>News of stimulus funding coming</td>
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<tr>
<td>Winter 2021</td>
<td>Full stimulus plan released</td>
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<tr>
<td>Late Winter 2021</td>
<td>First round of applications/pre-applications due</td>
</tr>
<tr>
<td>Spring 2021</td>
<td>Stimulus signed into law</td>
</tr>
<tr>
<td>Late Winter 2022</td>
<td>SRF projects under contract or construction</td>
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#### Lessons Learned from ARRA

- Focus on putting people to work quickly
- Projects had to be “shovel-ready” & start construction within one year
- Priority given to projects with:
  - Planning/design complete
  - Permits in place
Lessons Learned from ARRA

- Municipalities had to have:
  - Title and/or easement to the project site
  - Borrowing authorizations for SRF projects
  - Matching funds available (if required)

Money flowed through existing programs & projects already in queue were best positioned for funds
Lessons Learned from ARRA

- SRF programs were funded at $2\times$ their normal levels
- CWSRF: $4\text{ billion}$
- DWSRF: $2\text{ billion}$

4 ARRA mandates added additional complexity:
- Davis-Bacon Labor Requirements
- Buy American
- Green Project Reserve (20% ARRA SRF Funding)
- Section 1512 – Jobs Accountability Act
Lessons Learned from ARRA

Jobs, jobs, jobs!

- Funding applications required number of jobs created/saved
- "Struggle" between funding projects that created jobs vs. projects with environmental benefits
- Jobs creation justification required for quarterly reporting
Lessons Learned from ARRA

Projects that could move quickly with no permitting got funded
- Water main and collection system rehabilitation
- Replacement or installation of treatment process equipment
- Storage tank replacement
- Meter replacement and AMR projects
- Upgrades of instrumentation for process efficiency
- Replacement/improvement of electrical equipment
- HVAC improvements
- Building maintenance

Lessons Learned from ARRA

Other aspects that made projects more appealing
- Multiple benefits
- Resiliency & efficiency
- "Triple-bottom-line" considerations
- Technology & innovations

Lowell, MA. Solar panels installed using ARRA funding. The project has been revenue-positive since day one.
We Know How to Win Funding

Over the past 5 years we have:

- Applied for grants & loans to enable $3 billion worth of projects
- With a capture rate over 75%

We provide clients with a funding newsletter detailing hundreds of funding opportunities.

We provide periodic funding updates on emerging issues and opportunities.

How to Position to Capture Funding
Identifying Your Projects

What to think about:
- Design status
- Permitting/environmental review
- Resiliency and risk abatement
- Public process
- Schedule & cost estimates
- Jobs creation
- Securing your local commitment
- Bidding requirements
- Federal requirements and cross-cutters (e.g. Davis-Bacon, AIS)

Be prepared to discuss alternatives to the proposed project and to demonstrate why the proposed project was selected.

Design Status

Tier 1
- Projects with completed bid packages
- Projects with completed designs; bid packages remaining
- Projects with 90% complete designs
- Projects with 'standard' designs

Tier 2
- Projects with 50% design complete
- Projects with <50% design complete
  BUT other attractive circumstances
Permitting & Environmental

Tier 1
• Projects with permits in place & environmental work complete
• Replacement or other projects that do not require new permits
• Projects that can be implemented under nation- or state-wide permits

Tier 2
• Permits & environmental review in process and nearing design completion
• Simpler permitting process or less environmental required

Tier 3
• All others

Note: Exceptions may be made for disadvantaged communities (DACs)

Resiliency & Risk Abatement

Tier 1
• Projects that provide for resiliency and/or risk abatement
• Projects that address public health issues
  • PFAS
  • Lead
  • Water quality parameters directly impacting human health (e.g. arsenic)
Public Process

- Does applicant have authority to enter a long-term contract with state?
- Is an election required to enter in funding agreement?
- Does the applicant have the financial ability and/or legal authority to levy assessment & charges sufficient to repay a loan?
- Is the project permittable? Does it have public support?

We will help you vet these considerations...

Schedule & Cost Estimates

Tier 1
- Design package done; 90% cost estimates complete
- American Iron & Steel and Davis-Bacon rates will likely be applied
- Bid package complete
- Matching funds secured

Tier 2
- 50% design done; equivalent cost estimates complete
- Plans for matching funds (if required)

Tier 3
- Preliminary design done or can be done quickly; opinion of cost complete
- Potential to fund final design and cost estimate if project directly benefits DACs

In all cases, work must start within a pre-set period.
Job Creation

- Run the numbers – we know the models and how to apply them
- More jobs = more likely to win funding
- Remember to consider indirect and induced jobs in addition to direct jobs

Secure Your Local Commitment

- Funding will not be 100% grant
- Match requirements will be program- and state-specific
- For small facilities and DACs
  - Principal forgiveness
  - Negative interest loans
  - Grants
Submit to Existing Programs

Money will most likely flow through existing programs

- Projects already in the system will have a leg up
  - May need to add job creation calculations
- Projects that may not have scored well before could be more viable now
- In some states, design-build approach will be a faster pathway to shovel ready

Stakeholder Support

- Will the project impact a large employer?
  - Get them on board – letters of support make a difference!
- Work with the city/town/state council/leaders
  - Line up support so you can move fast when the time comes
- Make sure projects are in other larger planning documents
  - Capital Improvement Plan
  - Integrated Regional Water or Watershed Management Plans
Example – Town of Windsor

- Town needed a new well for 'off-river' supply in drought conditions
  - Essential for economic growth
  - Increased resiliency
- Identified in Master Plan
- Accelerated process with our support
- Won over $1 million in ARRA funding

Practicing Good Project Hygiene

What you should have been doing all along
Best Way to Put People to Work

- Know where matching funds will come from
- Keep the council/select board/trustees informed
- Pick a project that doesn't require significant public process
- Stay away from challenging environmental projects
- Get your permit before you submit
- Have your easement or right title and interest to the land

Make It Easy on Yourself!

- Consider expanding existing construction work
- Revisit scope elements that were left out of the original project
- Submit smaller portions of larger projects
- Consider jobs created or retained
- Seek input from all sources
- Involve the contracting community for flexible scoping
Differentiate Your Project

- Name large employers who could benefit
- Discuss impacts of the project to the tax base and private sector investment
- Bundle work like water, wastewater, road reconstruction, safety improvements and stormwater
- Acknowledge the trickledown effect of construction dollars to retail, hospitality, real estate and small manufacturing in a community

But Seriously…

YOU AREN’T EXPECTED TO BE AN EXPERT
Preparing to Put People to Work

- Have a solid, detailed cost estimate
- Have a plan, either dust off, refresh or create
- Make sure it is shovel ready, really
- Consider how you can leverage existing construction work to expand projects
- Understand the true cost of the work, contractors are busy unlike 2008/2009

Be Proactive Now

- Have a strategy meeting to determine your most likely projects (*include us!*)
- Identify the projects that can get to construction within 1-year
- Identify who you need to help you to make your projects attractive
- Get on or find out how to get on funding distribution lists (*we can help!*)
- Review funding lists for projects that weren't funded last time around
- Stay current & communicative
Make a Compelling Case

- Funders want to help you, help them help you
- This isn't about checklists, it's about influencing opportunities
- There is a real person on the other end of the application
- Right now it's about jobs and supporting your communities, not necessarily the environment
- What is the story your project tells?

Next Steps
What To Do Next

1. Talk to your Woodard & Curran contact about your projects. Or email info@woodardcurran.com.
2. Look for our funding updates & alerts
3. Be aggressive in planning & design! Those that wait, will be left behind...

Stay safe!