

# Lombardi Time

## *Water/Wastewater Funding Guidelines for Infrastructure Project Readiness*

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Nothing is more expensive than a missed opportunity. If your town, like many communities throughout the state, is faced with aging and deteriorating drinking water and wastewater infrastructure that is impeding your ability to meet current needs, inadequate for anticipated future needs, and/or leading to costly and disruptive ad-hoc repairs, don't miss today's unprecedented funding opportunities for New York State municipalities. Funding provided by the Bipartisan Infrastructure Law (BIL) and historically high levels of Water Improvement Infrastructure Act (WIIA) funding are meant to provide the capital dollars to leverage local resources required to upgrade municipal drinking water systems, improve municipal wastewater systems and protect drinking water at its source. Is your community ready to seize this unique opportunity for water and wastewater funding?

### **The BIL and Your Community**

What do you need to know about the Bipartisan Infrastructure Law (BIL) to capitalize on this extraordinary opportunity?

- BIL funding for water and wastewater projects will be administered through NYS Environmental Facilities Corporation (EFC).
  - In 2022 alone, the EFC will

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As always, working on “Lombardi Time” is  
fundamental to funding preparation success:

“If you’re early, you’re on time...  
if you’re on time, you’re late...  
if you’re late, don’t even bother showing up.”

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receive \$426 Million from the BIL to fund Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) to support more water quality and infrastructure improvement projects with market rate financing, subsidized interest rate financing, or hardship interest-free financing. The BIL will continue to infuse funding into these programs over five years starting this year.

- The first step in seeking State Revolving Funds is the Clean Water or Drinking Water Intended Use Plan (IUP). While the submission deadline for IUPs, which prioritize projects based on a scoring system and determines which projects can be funded, was in June, submissions can occur throughout the year so there is no reason to wait to submit your project.
- As part of the BIL, new EFC scoring considerations will make some projects eligible for principal forgiveness – effectively transforming this loan into a grant in those instances.

### **The WIIA and Your Community**

The next funding opportunity that municipalities can apply for is the 2022 round of the Water

Improvement Infrastructure Act (WIIA) Grant. The most recent round of \$638 million was a historic amount of state-allocated funding for water/wastewater projects as a result of the passing of the Environmental Bond Act of 2022. The time to begin preparing for a WIIA application, as with all state funding is before the deadline is announced. In other words, start now.

So, what's the best next step your community can take to prepare to be the best candidate to receive your share of these unprecedented funds?

### **Municipal Budget Deadlines and the Project Readiness Imperative**

While demonstration of project readiness has always been a hallmark of state funding scoring systems, this criterion is being given more weight – and therefore should be a higher priority to your community – due to the need for demonstrating swift and effective impact on the economy.

Waiting until the grant is announced may result in missed opportunities. To increase your chances of funding success, your community will need to prepare well in advance. With municipal budget deadlines approaching, the time to allocate funds toward demonstrating project readiness is now. Make sure your community budgets for initiatives that will



strengthen your IUP score and subsequent funding applications from the competition.

Priority indicators of project readiness include development of a *Preliminary Engineering Report*, *Feasibility Study*, *Environmental Review*, *Financing Plan/Bond Resolution*, *District Formation* (if needed), and/or update of your comprehensive plan.

- **Engineering Reports:**

The CWSRF and DWSRF programs require that an engineering report, prepared in accordance with the EFC engineering outline, be completed and submitted with an application. A Community Development Block Grant will also require an engineering report that details the problem, potential solutions, a cost estimate, and financing plan

- **Environmental Reviews (SEQR/NEPA):**

Many grant/loan programs are now “upping the game” to ensure that communities are truly ready for construction by requiring the environmental review to be complete at the time of an application. This review is intended to identify potential setbacks that may delay a project, such as wetlands, archeological sensitive areas, or flood zones. To move your project to the head of the line, environmental reviews (SEQR, and NEPA if federal funding is involved) should be completed to eliminate any potential setbacks for your project. Completing the environmental review will enable you to begin pre-permitting to further differentiate your application. These actions highlight your commitment and readiness to undertake the project

- **Financing Plan and Bond Resolutions:**

If you intend to leverage outside funding

to complete your project, a comprehensive and compelling financing plan is essential. Once a grant deadline is announced, it may be too late to get the elements of a financing plan in place. Bond resolutions require lead time for bond council and statutory public notices and comment periods, so begin that process as soon as possible. Your financing plan will include other funding awards and/or in-kind services that you will use to complete the project.

- **District Formation:**

Many water and wastewater infrastructure projects require the formation of special districts. Completing the district formation process, or at least initiating it, will be another important indicator that your community is aware of – and committed to – doing what it takes to bring this project from initiation to completion. It is yet another key way to stand out from the competition.

- **Comprehensive Strategic Planning:** Updating a comprehensive plan is a vital, but often overlooked step in the project readiness checklist. Since this plan documents your community’s vision, goal strategies, strengths, weaknesses, and priority projects, inclusion of the project for which you’re seeking funding is a key indicator to an application reviewer of the significance of – and your commitment to – the project for which you’re seeking funding.

Addressing these project readiness tasks is critical to any water/wastewater project funding and should be considered an essential component to requesting financial assistance. Don’t wait for the announcement – it will be too late. Due to the lead time required for completion of some of these undertakings, it is critical that they be included in your municipal budget now to enable that work to begin as soon as possible. □

