

## Staff Report

**Subject:** Governor's Office of Planning and Budget (OPB) Drinking Water Projects to Support Increased Population

**Author:** Jody Jones, Grants Coordinator presented by Mark W. Barnes, Finance Director

**Department:** Finance Department

**Meeting Date:** 5/2/23

**Item Description:** Consideration to accept a grant award from the Governor's Office of Planning and Budget (OPB) Drinking Water Projects to Support Increased Population Grant Program, in the amount of \$41,724,235.

### Summary Recommendation:

Staff recommends approval to accept the grant award from the Governor's Office of Planning and Budget (OPB) Drinking Water Projects to Support Increased Population grant program.

### Executive Summary:

The EPA regulation implementing the DWSRF program provides that projects needed primarily to serve future population growth are not eligible uses of the DWSRF. A project that is intended primarily to address public health or regulatory compliance issues for the existing service population may be sized for a "reasonable" amount of population growth over the useful life of the project.

ARPA does not include the same limitation as the SDWA. Accordingly, the final rule provides that recipients may use SLFRF funds for projects that are needed to support increased population in certain cases. ARPA limits projects to those investments that are "necessary." As discussed above, Treasury interprets this to mean that the investments must be:

- (1) responsive to an identified need to achieve or maintain an adequate minimum level of service, which for some eligible project categories may include a reasonable projection of increased need, whether due to population growth or otherwise and
- (2) a cost-effective means for meeting that need, taking into account available alternatives.

For this eligible use category, expansion of drinking water service infrastructure, the project must also be projected to be sustainable over its estimated useful life.

### Background:

1. The Board approved of Effingham County's application for this grant back in September 2022.

2. The funds will be used to help construct Effingham County's new Waste Water Treatment Plant.
3. The award amount is \$41,724,235.

**Alternatives for Commission to Consider:**

1. Approve to accept the grant award for the OPB Drinking Water Projects to Support Increased Population grant program and to approve the Water Sewer Infrastructure Terms and Conditions.
2. Do not approve to accept the grant award and the Water Sewer Infrastructure Terms and Conditions.
3. Provide Staff with Direction

**Recommended Alternative:**

Staff recommends Alternative number 1 – Approve to accept the grant award for the OPB Drinking Water Projects to Support Increased Population grant program and to approve the Water Sewer Infrastructure Terms and Conditions.

**Other Alternatives:**

N/A

**Department Review:** *(list departments)*

Finance

**Funding Source:**

**Attachments:**

Award Notification Email

Water Sewer Infrastructure Terms & Conditions