

# Jointly Funding Projects Funding Agency Training

March – April 2015

Idaho Department of Commerce  
Idaho Department of Environmental Quality  
USDA-Rural Development  
US Army Corps of Engineers  
Idaho Bond Bank



## Goals & Assumptions

- The goal of this section is to provide some helpful ideas in a chronological format to use when you are involved in a project with multiple funding agencies (although most of these ideas would also apply to projects funded from one source)
- Assumes the Project Engineer has been selected and they starting to complete a Facility Plan or Preliminary Engineering Report (PER) and Environmental Information Document (EID) or Environmental Report (ER)
- Get the Funding Agencies involved as early as possible in the process



# City of American Falls

Before

After



## Get Funding Agencies Involved Early in the Process

- USDA RD – Contact the Area Office serving the Communities area (1 of 4)
- IDEQ – Contact the Regional Office (1 of 6)
- IDOC – Contact Staff serving the Region
- USACE – Contact Boise Outreach Office
- IBB – Contact Boise Office



## Funding the Facility Study / PER and ER / EID

- Are sufficient funds on hand for a grant match?
- If not, can rates be raised?
- IDEQ – Planning Grants (\$250k/year water, \$250k/year sewer – maximum 50%)
- USDA-RD – Predevelopment Planning Grants & Search Grants – ( PPG \$25K/ year % varies), SEARCH \$35-50K/year – up to 100% for very low income systems)
- Construction is not a follow-on requirement
- Make sure to include ER / EID costs
  - An EID is required if RD grant funds are involved



## Completing the PER and ER

- The PER & ER must present all viable alternatives and analyze the non-tangibles, giving the decision makers the information required to make a good decision. The presentation of viable alternatives is a necessary requirement to qualify for construction assistance
  - RD requirement: contain a Life Cycle Cost Analysis (LCCA)
- Must meet requirements of Funding Agency's involved (IDEQ, RD, CDBG, USACE)
- PER and ER must cover all needed improvements, project can be scaled back during the bidding process. If the scope increases, will require additional review and likely an updated EID / ER



## Environmental Report

- Open Bond Market/Idaho Bond Bank
  - The City will still have to comply with ESA, CWA, Wetlands, etc., just not NEPA. “Stand Alone” requirements
- USDA-RD, IDEQ, IDOC & USACE – Details discussed later today. Agencies have agreed to assign a lead agency on jointly funded projects. The lead agency will be the primary contact for completing the environmental. The other funding agency’s have agreed to accept or adopt the lead agency’s environmental (with attachments if necessary)



## Establishing a Basic Funding Package

- A project team needs to be established including elected officials, citizens committee members, Project Engineer, and representatives from each potential Funding Agency
- Can apply for assistance prior to bond election
- In Idaho, elections can only be held in November and May
- Early discussions with funding agencies is vital



## Planning and Educating for the Bond Election

- Be honest and straightforward
- The governing board must be in agreement before moving forward – or it is very difficult
- Prepare accurate information for handouts, power-points, etc.
- Be ready for questions regarding user rates.
- Local officials need to be ready to answer questions. Rely on the Project Engineer or Funding Agency Representatives for technical or funding questions
- RD Area Office Staff is available to attend meetings



## Passing a Bond Election

- The local officials need to be in control
- In public meetings – engineer's should resist the tendency to do most of the talking
- Don't assume the recommended option will "always" be the way the community wants to proceed. Local officials need to decide on which option to pursue after considering input from the affected community
- Use pictures (they can be worth 1000 words)
- Remember – it is the community's project, not the engineers, grant administrator's or the Funding Agency's



# Passing a Bond Election

- Before



- After



# Passing a Bond Election

- Before



- After



## Passing a Bond Election

- Before



- After



## Judicial Confirmation

- Request a Judge to issue a ruling that improvements are ordinary and necessary.
- Recognized by IDEQ
- Recognized by IDOC
- Recognized by the Idaho Bond Bank
- Recognized by Rural Development - Communities that have passed a bond election will receive extra priority points



## Advantages of Joint Funding

- Funding Agencies meet quarterly to review applications and inquiries in-hand
- We communicate as a group to maximize the benefit for the projects in Idaho
- We are committed to actively maximizing the amount of funding available to the state
- Our goal is cooperation, not competition
- If controversy or shortages arise, multiple Funding Agencies can be beneficial



## Advantages of Joint Funding

- Amount of CDBG funding that IDOC is allocated from HUD changes each year but is based on a set formula
- Amount of SRF funding that IDEQ is allocated from EPA changes each year but is based on a set formula
- IDEQ is a revolving loan fund, so depending on repayments, amounts of additional funding will vary from year to year



## Advantages of Joint Funding

- USDA-RD obtains an allocation each year, but also has the ability to compete for additional National Office reserve funds for competitive “regular” projects, plus the ability to request Emergency Community Water Assistance Grants and Native American Set-Aside Grants each year
- USACE – Depends on appropriation (is essentially a special appropriation) each year
  - Bridges the funding gap



## Applying for Funding

- IDEQ-SRF – Requests due each January, draft funding list published in March, final in April/May. Application and funding July 1 through June 30
- IDOC-CDBG – Uses a grant administrator. Application in November, addendum in March, decision by May, funding by June
- USDA-RD – Application anytime, Area Office staff will assist with application, funding usually occurs December through August
- USACE – Pending appropriation, a letter requesting technical assistance



## Completing Engineering Contract

- Required documents depends on Funding Agency
- USDA-RD requires use of EJCDC documents (2013 and 2014) w/ RD attachment
- Fees should be reasonable and consistent with figures used in Funding Agency application process and Facility Plan or PER
- Payment of Engineering Fees prior to bid opening – depends on Funding Agency
- IDOC allows use of EJCDC or AIA documents, however, does require the CDBG Agreement attachment to be part of the contract (if CDBG is paying for engineering)



## Real Estate / Site Control

- Obtaining easements and rights of way (ROW) should be addressed as soon as possible
- ROW & easement issues cause more delays in projects than anything else – and the delays can be years in some cases
- IDOC – CDBG requires for easement acquisition that the Grantee meet the Uniform Acquisition Act
- RD must have ROW & easements completed and certified prior to going out to bid
- USACE – all lands, easements, relocations, ROW and disposal sites are the sponsor's responsibility



## Groundbreaking

- Invite local media and use the opportunity to inform your community that the project is under way to build public support
- Good opportunity to have elected officials visit community. Sometimes they can include the Governor, a Congressman, or nonelected Funding Agency staff
- If RD or USACE funding involved, assistance with public affairs is available for the event



## Effective Construction Management

- Effective construction management requires the active involvement of all parties involved in a project. They include: representatives of the applicant, the design professional(s), representatives from all funding agencies, and if applicable the grant administrator; and are called the “Project Team”
- At all project milestone meetings, it is highly recommended that the entire project team be present in person. If that is not possible, the majority should be present, and the remaining connected via teleconference



## Effective Construction Management Milestone Meetings

- Project Team Meeting – shortly before or at funding approval
- Project Team Meeting – at or shortly after bid opening
- Pre-Construction Conference
- Monthly During Construction
- Substantial Completion
- Final Completion
- Warranty Inspection



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## Questions?

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