

## **Water and Sewer Infrastructure:**

A portion of the CDBG 2023 Project Year funds will be utilized towards eligible Water and Sewer Infrastructure Grant projects, for a total of \$2 million dollars of the yearly allocation. Water and Sewer projects qualify for CDBG funding by meeting the LMI National Objective of 51 percent Low- and Moderate-Income residents benefiting from the project.

Applications will be received online only and are due through the online application portal by February 1, 2023.

In addition to this requirement, only communities who are under a current consent order by the Kansas Department of Health and Environment may apply. Those communities that have been identified by KDHE are listed below. Please note that some of the communities listed have received CDBG funding in 2020, 2021 and 2022 to address their compliance issues. If those communities are in need of Phase 2 or Phase 3 funding to continue moving towards the resolution of their consent order, they will be eligible this year to submit an application. Please contact Commerce if you have questions about your status.

### **KDHE Water and Sewer Consent Order List**

#### **Sewer**

##### **Municipality**

Miami County/Bucyrus  
Herndon  
Hiawatha  
Sterling  
Osage City  
Wakefield

#### **Water**

##### **Municipality**

Lucas  
Palco  
Burr Oak  
Bushton  
Reno County District 101  
Belle Plaine  
Bunker Hill  
Waterville  
Copeland

## Funding Amounts

The maximum grant amounts per community are listed below. The funding ceiling for water and sewer grants will be \$2,000 per beneficiary up to the maximums based on population.

Available Funding	
Maximum for <5,000 Population	\$600,000
Maximum for >5,000 Population	\$750,000
Administration	Up to \$25,000
Match	25%

## National Objective

During the program year, all activities proposed in applications for CDBG funding in the Water and Sewer category must meet the national objective of benefitting low- and moderate-income persons. There are two ways to accomplish this; either by using 2015 HUD Census Data or by completing a qualified income-based city wide or target area survey. Specific methodology for conducting an income-based survey is listed in our General Application Requirements.

## Eligible Use of Funds

1. Water and Sewer improvements to remove consent orders
2. Administration
3. Engineering

**Note: When submitting cost estimates, Environmental Review costs are paid 100 percent on the local side.**

## Application Criteria:

All applications will have a Community Needs Narrative. The applicant should discuss the prioritized community needs of its jurisdiction, including how these needs were determined and if they have been formalized in any document. Describe the needs of the overall community. The narrative should tell the story of the community and their needs across all areas. This is limited to one page and must include Housing Needs. Examples of community needs: education, childcare, fire safety, community and government buildings, transportation, recreation, housing, workforce and homelessness.

Applicants should be at or above the current state average water and sewer rate. The current state average rates are:

City - \$38.00

Rural Water District - \$50.00

Sewer - \$30.00

The Matrix below describes each selection criteria as a numerical score within the Water and Sewer Infrastructure application. The maximum number of points available within any application is 100 points.

Selection Criteria Matrix	Maximum
1. Project Need	35
2. Project Alternatives	10
3. Past Efforts to Address Need	10
4. Project Readiness	5
5. Leverage	20
Total	100 points

**Bonus Points**

Communities who have **not** been awarded a CDBG Grant in the annual competition within the last five years in Housing, Community Facilities, or Water and Sewer will receive 10 bonus points on their application rating.

10 bonus points for including other private funding sources such as foundations (not bonds or state and federal agencies). At least 10 percent of local match needs to come from private source to receive the 10 bonus points.

Project need will be 35 points, but up to 5 of those will be for letters of support.

**1. Project Need**

Applicants must state their need, the cause of the problem, how long has the problem existed and how the problem affects the community. Applicants must also document the urgency of the problem and what state/federal regulations are being violated. The more an applicant documents a need in actual terms and figures, the stronger the application. For example: How many waterline breaks did the community experience in the past three years? What was the water loss associated with the breaks in lines? How much did it cost to repair the lines? In the case of high nitrates, discuss the nitrate levels, and potential effect on the community. Sewer Lagoon improvements. The applicant must explain the importance of this project need as compared to total community needs.

**2. Project Alternatives**

Applicants will be required to summarize all the alternative solutions that were examined to address the need above. This must also include a financial analysis of all the proposed solutions.

Failure to include a discussion on financial analysis of alternatives will result in point deductions. Applicants will also be required to document all sources of funding for the project, as well as water purchase agreements and documentation of water rights. The applicant must state the solution it has chosen and the reasoning behind the choice. Describe any acquisition activities completed or required for the project.

Scope of Work: Describe the project (linear feet of sewer or water) including the project completion time frame, activities, project costs and costs per person benefiting. Describe separately the activities covered by the CDBG monies. Discuss any force account construction labor and equipment proposed and basis of cost estimate for it. Provide a timeline of critical benchmarks in the total project.

### **3. Past Efforts to Address Need**

Applicants must describe all the past efforts from the previous five years they have made to address the community's overall needs. This includes the proposed project and all other city activities, i.e., street improvements, water/sewer improvements, senior center, health department, ADA, etc. State your community's utility rates as affected by the project and a summary of rate changes over the past five years.

### **4. Project Readiness**

Applicants must describe the degree to which the applicant is ready to proceed with the project. Has the applicant pre-selected the professional services it will need? In the event land must be procured, does the applicant have ownership of the land, or an "option to purchase" the land? Does the applicant have water purchase agreements and documentation of water rights, if needed? Are there any inner local agreements needed? Must attach proof to receive points. Are there any environmental concerns that would delay the project? Finally, provide an explanation and documentation of leverage commitments.

Bonds are not required to be sold to be eligible, but commitment for purchase must be "in hand" for any issues other than private market. Bond ordinances must be passed, published and proof thereof included in the application.

### **5. Leverage**

**A minimum match of 25 percent is required.**

In order to receive the maximum number of points for Leverage, applicants must provide a 50/50 match for their CDBG request. Less than a 50/50 match will result in less points being awarded for Leverage.

The percentage of the match will be calculated as a total of the project and be awarded Leverage points based on the percentage.

Example: Project Total: \$400,000, CDBG Request: \$200,000, Applicant Match \$200,000  
 $\$200,000/\$400,000 = 50\%$  Leverage gets 20 points

The minimum match is 25 percent and will receive 0 points for leverage.

Example: Project Total: \$400,000, CDBG Request: \$300,000, Applicant Match \$100,000  
 $\$100,000/\$400,000 = 25\%$  Leverage gets 0 points

Up to 35 percent Leverage gets 10 points

Up to 49 percent Leverage gets 15 points

### **Incomplete Applications**

If an incomplete application is submitted for funding consideration, the applicant will be notified to make corrections. An application is considered incomplete when a required signature is missing, required form(s) are left out of the application or the forms are incomplete.

### **Specifications for Preliminary Engineering Report / Architectural Report**

CDBG-assisted projects must be reviewed by a licensed professional engineer, as appropriate. The review will consist of a preliminary report sufficient in scope to analyze the need, determine the most appropriate solution alternatives, provide estimated construction and non-construction costs, and recommend the required level of funds for operation and maintenance of the facility, if applicable. Failure to submit the required preliminary report is a threshold item. The Preliminary Engineering Report/architectural reports must be uploaded directly to the RFP Portal.

At a minimum, the following must be addressed in the preliminary engineering report/architectural report:

1. Name of the applicant or owner of the facility.
2. Name, address, telephone number of the engineering company.
3. Date of review.
4. Description and documentation of the problem.
5. Cause(s) of the problem, including the age of any existing publicly owned facility(ies).
6. Discussion of the alternatives – Several alternatives should be considered to determine feasibility and cost-effectiveness, with justification of the alternative selected. The alternatives must be listed. Financial alternatives must be included.
7. Estimated construction and non-construction costs. Cost per square foot is not an acceptable architectural estimate. Costs must be broken out for the specific structure.
8. If the scope of the report includes more activities than the proposed CDBG project, clearly identify the CDBG portion in narratives and cost estimates.
9. Analysis of operation, maintenance, and replacement budget.
10. Land requirements – Identify sites and easements required. Also specify whether these properties are currently owned, to be acquired or leased. Must attach proof to receive credit.

NOTE: If a vendor is used to supply a cost estimate, said vendor cannot bid on the work if the applicant receives a grant award.

## Application Checklist

The following forms must be signed and submitted through the [Online Application Portal](#).

- a. Community Needs Form
- b. Project Budget Form and Opinion of Probable Cost
- c. Local Effort - the most recently adopted city/county budget
- d. Public Facilities LMI Benefit
- e. Public Facilities Narratives
- f. Pre-Selection of Professional Services
- g. Statement of Assurances and Certifications
- h. Resolution of Governing Body to File Application
- i. Maintenance and Operation Resolution (must include dollar figure and source)
- j. Commitments from other funding sources
- k. Disclosure Report Anti-Displacement Plan
- l. Affidavit of Public Hearing Notice \*
- m. Copy of Survey Instrument
- n. Copy of Survey Tabulation, if applicable w/description of variance, if applicable
- o. Survey Methodology
- p. Intergovernmental Agreements (on behalf of or multi-jurisdictional applications), if applicable
- q. Map of Project Area Engineering or Architectural Reports
- r. Environmental Review - Determination of Level of Review
- s. Letters of Support

**\* The total project funding and CDBG amount requested must match what appears in the public hearing notice**

## Threshold Requirements

Before the application will be scored and ranked, it must meet the following threshold requirements:

1. The application must be received prior to application deadline.
2. Only complete online applications will be accepted.
3. The proposed activity for CDBG funding must be an eligible activity under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, and meet one of the National Objectives discussed herein.
4. The applicant must be eligible.
5. Preliminary engineering report must be included, if applicable. The report shall address the items included in the section herein discussing such requirement.
6. Survey LMI documentation must be correct, as discussed herein. Beneficiaries must be 51 percent LMI. If the survey conducted is to challenge census data and there is more than six percent variance between the two, an explanation of the difference must be provided. An explanation, survey forms, tabulation form and details of methodology must be included in the application.

7. The public hearing notice must be published at least five full days before (starting one day after publication date and not counting the date of the hearing, i.e. a total of seven days) but not more than 20 days prior to the public hearing. The public hearing must occur a minimum of 15 days but not more than 120 days prior to the application due date.
8. Absence of required interlocal agreements shall be considered a threshold criterion, if applicable.
9. Construction Management Contracts are not allowable under Kansas CDBG regulations because of free and open competition for bidders.
10. Two maps: (1) Target Area Map, (2) City map if different from target.

Should any document be missing, incorrect or otherwise have deficiencies that would cause the project to be thresholded or not rated, contact will be made with the applicant after the applications are initially reviewed. The applicant will be given two weeks from notification to correct the deficiency. Threshold items such as inadequate amount of time for public hearing, public hearing not having required information or public hearing too late would not be correctable and the application will not be scored.

The purpose of this allowance of additional time is in no way intended to give extra time for the purpose of obtaining commitment from other sources, removing contingencies or finishing the details of the application.