

New York State's 2017 Intermunicipal Grant Program (IMG) for Drinking and Waste Water Systems



Albany Research In Public Administration (ARPA)

Report Number 2017-9

June 5, 2017

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www.albanyrpa.com

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ARPA New York State Local Government Improvement Program Series

This study adds to a four part series about the efforts of the State of New York to improve local government efficiency. The series includes reports on:

1. The New York State Fiscal Stress Monitoring System for Local Governments.
2. The Financial Restructuring Board for Local Governments *A New York State Entity*.
3. The New York State Local Government Real Property Tax Freeze.
4. The New York State Department of State Local Government Efficiency Program.

New York State's 2017 Intermunicipal Grant Program (IMG) for Drinking and Waste Water Systems

Abstract

The New York State Legislature passed the 2017-2018 budget during April 2017. The budget includes a new program for municipalities who have cooperative agreements to provide drinking water and or waste water systems. This new \$30 million grant program is part of New York State's Clean Water Infrastructure Act of 2017. A total of \$255 million is available for local governments who make improvements to drinking water and waste water systems. This is the third year in which the program has been in operation. The new \$30 million Intermunicipal Grant Program (IMG) allows local governments to file an application for drinking water and/or waste water facilities where a formal Intermunicipal Agreement exists for the localities to construct shared facilities. The IMG program is a continuation of efforts by the State of New York to increase the amount of shared services among local governments.

The Intermunicipal Grant Program

The State of New York New York Executive Budget for 2017-2018 established a new Intermunicipal Grant Program (IMP) which allows local governments to participate in a new \$30 million grant program for shared drinking water and/or waste water programs. The funding is part of a larger Clean Water Infrastructure Act of 2017. For 2017 a total \$255 million of funding is available under a Water Infrastructure Improvement Act of 2017 (WIIA) with equal shares being provided to drinking water systems and to waste water systems. (New York Government Finance Officers Association 2017).

The drinking water and waste water grant programs are organized under the New York State Environmental Facilities Corporation (EFC) which is a public authority related to environmental funding and grant programs in New York State. (New York State Environmental Facilities Corporation 2017A). The Clean Water Infrastructure Act of 2017 provides at least \$150 million to fund the IMG programs. A total of \$30 million of funding is available for the first round of the new program which commences in 2017. To qualify for

the program two or more cooperating municipalities must file and have approval of an application for shared drinking water and/or waste water facilities. Successful applicants may receive up to 40 percent of the cost of the facility applied to a cap of \$10 million for the project. There may be some reductions in the amount of the \$10 million project cost if other grants or financing devices have already been applied to the proposed facility. Applications for the grants are due to EFC no later than 5:00 p.m. on June 23, 2017.

It is unclear at this time about how many projects may actually qualify for the new program especially given the time constraint of June 23, 2017. It is clear, however, that local governments are planning shared facilities that may benefit from the program in the future. For instance, Albany County and Saratoga County are currently conducting a study for a joint organic waste facility for waste water sludge. (Colonie Spotlight 2017). The facility would process wastewater sludge from the two counties to limit trucking of the material and landfill usage. This project will provide benefits to Albany and Saratoga counties and several other local governments including the Cities of Albany, Cohoes and Watervliet, the towns of Guilderland and Colonie, and the villages of Colonie, Menands and Green Island.

The EFC has developed a number of documents to help municipal governments who wish to participate in the grant program. These include the following six items:

1. Environmental Facilities Corporation: *Grant Summary NYS Water Infrastructure Improvement Act (WIIA) Clean Water*. (New York State Environmental Facilities Corporation 2017B).
2. Environmental Facilities Corporation: *Application Instructions NYS Water Infrastructure Improvements Act (WIIA) & NYS Intermunicipal Water Infrastructure Grants Program (IMG) Clean Water*. (New York State Environmental Facilities Corporation 2017C).
3. Environmental Facilities Corporation: *Grant Application NYS Water Infrastructure Improvement Act (WIIA) & NYS Intermunicipal Water Infrastructure Grants Program (IMG) Clean Water*. (New York State Environmental Facilities Corporation 2017D).

4. Environmental Facilities Corporation: *Grant Summary NYS Water Infrastructure Improvement Act (WIIA) Drinking Water*. (New York State Environmental Facilities Corporation 2017E).
5. Environmental Facilities Corporation: *Application Instructions NYS Water Infrastructure Improvements Act (WIIA) & NYS Intermunicipal Water Infrastructure Grants Program (IMG) Drinking Water*. (New York State Environmental Facilities Corporation 2017F).
6. Environmental Facilities Corporation: *Grant Application NYS Water Infrastructure Improvement Act (WIIA) & NYS Intermunicipal Water Infrastructure Grants Program (IMG) Drinking Water*. (New York State Environmental Facilities Corporation 2017G).

The documents listed above show the basic information that must be filed in the grant application process by June 23, 2017. EFC indicated in a Webinar on the subject that was held on May 9, 2017 that they are interested in projects which are ready to advance to the construction phase now.¹ This means that some projects which are not in the necessary planning stage may have to be deferred to a filing which is expected to occur in 2018.

The EFC filing instructions outline the type of information that must be included in the application process. Detailed information relating to the applicant, general information on the project, the type of grant being applied for, detailed project information, and budgets for the project must be submitted. Other documentation such as New York engineering reports, a Smart Growth Assessment Form, and environmental review determinations must be submitted.

The IMG grant applications must include a copy of the Intermunicipal Agreement (IMA) under which the project is being completed. The applicants must submit a copy of current and executed intermunicipal agreements among the municipalities involved with the project,

¹ A second Webinar was conducted in early June 2017.

Summary

The State of New York has been an advocate for the use of shared services agreements among local governments for the past several years. For the past two years the New York State EFC has organized a grant program for drinking water and/or waste water projects being constructed by municipalities. The 2017 New York State budget includes a new \$30 million Intermunicipal Grant Program for 2017 for water related facilities being constructed by municipalities that have Intermunicipal Agreements to manage the facilities. Applications must be filed by 5:00 p.m. on June 23, 2017 to participate in the program this year. It is expected that additional grant funding will also be available in 2018 and beyond.

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