

Memo

To: Mary Margaret Hull, SWFWMD
From: Dan Dourte, Valerie Seidel; The Balmoral Group
Date: 8/25/2023
Re: SWFWMD Grants Support – Potential Funding Opportunities and Prioritization



Overview

This technical memorandum describes the potential funding opportunities and prioritization of fund sources that might be pursued to support SWFWMD's contributions to Alternative Water Supply (AWS) and Flood Control projects.

Approach

State, federal, private, non-profit, and public-private partnership (PPP or P3) funding opportunities were searched to identify any possible grant opportunities that might support AWS or Flood Control projects in the District. Funding programs for loans were deemed not applicable for the District directly, but may be of interest to regional water suppliers. Private and non-profit funding options were researched, but none were identified to align with district projects. The relevant information regarding P3 applicability are summarized in this report and its Appendix.

Research into funding options included known sources from institutional knowledge as well as desktop research of state, federal and private databases. For AWS funding option searches, this included various water-related terms: water, water supply, municipal water, alternative water supply, surface water, water treatment, conservation, hydrologic restoration, resilience, climate, habitat restoration, and others. Similarly, searching for flood control funding opportunities relied on broad and varied search terms to ensure all possible opportunities were identified. Search terms included flood control, flood protection, resilience, hydrologic restoration, among others.

The available state and federal grant opportunities are summarized herein. Compiled funding source lists from the Florida Department of Environmental Protection (DEP), Environmental Finance Center Network (EFCN), National Association of Counties (NACO), Florida Grants Watch, and others were reviewed for relevance to AWS and flood control project funding options. Funding from congressional authorization including U.S. Army Corps of Engineers (USACE) and WRDA (Water Resources Development Act) were investigated. New funding authorizations from the Bipartisan Infrastructure Law (BIL; also known as the Infrastructure Investment and Jobs Act – IIJA) and the Inflation Reduction Act (IRA) were assessed to identify funding programs that might support water supply or flood control projects.

Findings

In general, federal funding is not geared toward support of capacity expansion for population growth or increased development. Most of the federal grant opportunities include eligibility or scoring frameworks to target projects that benefit underserved and small or disadvantaged communities. For either AWS or flood control project funding pursuits, disadvantaged communities that benefit would be identified and their benefits quantified as part of the funding application.

Federal agencies that might support either AWS or flood control projects include Environmental Protection Agency (EPA), RESTORE Council, and Federal Emergency Management Agency (FEMA). The bulk of new federal funding for water supply projects is directed to the US Bureau of Reclamation (USBR), meaning it is limited to use in the 17 western states. For Example, all IRA funding for “Part 3--Drought Response and Preparedness” is directed toward USBR. Similarly, much of the newly allocated BIL funding related to water supply was directed to the WaterSMART grants for the USBR. Much of the new authorizations for the Environmental Protection Agency (EPA) water funding flows through the Clean Water and Drinking Water State Revolving Funds (SRFs) loan programs.

State funding is more targeted to alternative water supply. FDEP and Florida Division of Emergency Management (FDEM) are state agencies that support both AWS and flood control projects. The current list of AWS grant funding opportunities includes 5 potential grant programs (4 federal, 1 state). The current list of flood control grant funding opportunities includes 4 potential grant programs (2 federal, 2 state). In addition, steps to potentially access USACE and to explore P3 funding are provided at the end of this section.

Funding Priority for each potential grant source was developed here to serve as a best estimate that integrates the available information on program size, number of awards, and alignment of program and goals and District projects. Low and High priority groups are defined below for AWS and for Flood Control grants sections.

AWS Project Grant Opportunities

For AWS projects, High priority is defined as 1) the District or Regional Water Suppliers are eligible, and 2) the funding program goals align with the District-funded AWS project outcomes: to increase water supply capacity, sustainability (source diversification), and/or resilience (to drought). Low priority is defined as 1) the District or Regional Water Suppliers are eligible, and 2) the funding program goals do NOT align well with the District-funded AWS projects or service areas (for example, a requirement of some EPA program funds to directly benefit underserved communities). Low priority opportunities might become worthwhile to pursue based on evolving details in upcoming or future Notice of Funding Opportunity (NOFO). **Table 1** summarizes the funding sources identified as “High” priority for AWS projects.

Table 1. Summary of High Priority Funding Sources – AWS projects

Program Name	Owner – Bill (if applicable)	Purpose/Project Candidate Example	Timing
Alternative Water Supply Grants	FDEP	Past District success here; all AWS projects align with FDEP program goals	8/30/2023; District actively pursuing annually
Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program	EPA – IJA	Improve resiliency; potentially PRMRWSA Integrated Loop and any reservoir or brackish treatment projects (increased resilience to hydrologic changes)	Not open yet; monitor EPA and grants.gov
Advanced Drinking Water Technology Grant program	EPA – IJA	PWRC Southeast Wellfield Implementation - Enhanced groundwater resource data	Not open yet; monitor EPA and grants.gov
Pilot Program for Alternative Water Source Projects	EPA	Reservoir expansion and development of brackish sources (treatment excluded) are AWS project elements that seem to align with the AWS definition/scope of the program	Not open yet; monitor EPA and grants.gov

The following sections provide details on grant program funding goals, eligibility, timing, cost-share requirements, and priority for pursuit.

Alternative Water Supply Grants – FDEP

<https://floridadep.gov/water-policy/water-policy/content/alternative-water-supply-grants-0>

Project type relevance: AWS

Program goals and eligible projects Eligible projects are alternative water supply projects (involving reclaimed water, water conservation, stormwater, surface water, brackish groundwater, desalination, other non-traditional sources, and other water quantity project types) that are submitted by a water management district and approved by a water management district governing board. Special consideration is given to AWS projects contained in District Regional Water Supply Plans (RWSP), Recovery or Prevention Strategies for Minimum Flows and water Levels (MFLs). AWS guidance document in the program folder (see link in Appendix). Projects should provide regional benefits and should include quantified cost-effectiveness (example: \$/kgal). Project scoring is improved if there are benefits to Rural Economic Development Initiative (REDI) communities.

Eligible Entities: Water management districts (25% of annual funding to SWFWMD), local cooperators

Funding cycle: Closes 8/31/2023

How to apply: Application portal linked from <https://protectingfloridatogether.gov/state-action/grants-submissions> “Alternative Water Supply Grants”; application submittal worksheet saved to program folder linked in Appendix.

Cost-share: 40% FDEP/ 60% applicant

Award max: Unknown - \$5M was maximum FY22 award; \$60M in FY23 state budget

of applications last cycle; # of awards last cycle: Unknown total applications; 33 awards to local cooperators in FY2022 (totaling \$48M) – Tampa Bay Water (TBW - \$6.8M), Polk Regional Water Cooperative (PRWC - \$5.5M), and Peace River Manasota Regional Water Supply Authority (PRMRWSA - \$4M) all had awards in FY2022.

Priority for pursuit: High – previous District awards

Strategy: Continued annual pursuit; target AWS projects in RWSPs and those with MFL waterbody benefits

Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program – EPA

This is not an active grant program yet; the funding authorization was made in the Infrastructure Investment and Jobs Act (IIJA) of 2021.

<https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section300j-19g&num=0&edition=prelim>

Project type relevance: AWS

Program goals and eligible projects: Grant funds can be used to assist in the planning, design, construction, implementation, operation, or maintenance of a program or project that increases resilience to natural hazards and extreme weather events, or reduces cybersecurity vulnerabilities. Natural hazard is defined as: a natural event that threatens the functioning of a community water system, including an earthquake, tornado, flood, hurricane, wildfire, and hydrologic changes. Projects could include (1) the conservation of water or the enhancement of water-use efficiency; (2) the modification or relocation of existing drinking water system infrastructure made, or that is at risk of being, significantly impaired by natural hazards or extreme weather events, including risks to drinking water from flooding; (3) the design or construction of new or modified desalination facilities to serve existing communities; (4) the enhancement of water supply through the use of watershed management and source water protection; (5) the enhancement of energy efficiency or the use and generation of renewable energy in the conveyance or treatment of drinking water; (6) the development and implementation of measures to increase the resilience of the eligible entity to natural hazards and extreme weather events; or to reduce cybersecurity vulnerabilities; (7) the conservation of water or the enhancement of a water supply through

the implementation of water reuse measures; or (8) the formation of regional water partnerships to collaboratively address documented water shortages.

Eligible Entities: An eligible entity is a public water system that serves a community with a population of 10,000 or more.

Funding cycle: No information yet.

Award max: Not available; \$50M/year through FY26 is authorized.

How to apply: Not available yet; monitor for release (links in strategy section)

Cost-share: Unknown

Priority for pursuit: High, but this is not an active grant program yet. This is prioritized as high because the AWS projects of all the regional water suppliers will ultimately improve resiliency to natural hazards (including drought) and extreme events. However, information is obviously preliminary at this writing. Projects of regional impact (not a single utility, for example) would appear to be prioritized by EPA based on funding being allowed to establish regional water partnerships.

Strategy: Monitor this (monthly) for actual release here <https://www.grants.gov/web/grants/search-grants.html> and here <https://www.epa.gov/ground-water-and-drinking-water/drinking-water-grants>. Recommendation: water treatment (brackish treatment) and storage increase elements of the AWS projects seem better suited to this than the conveyance elements of the AWS projects. Assign someone to watch for developments here. Assign someone to watch for developments here.

Advanced Drinking Water Technology Grant program – EPA

This is not an active grant program yet; the funding authorization was made in the Infrastructure Investment and Jobs Act (IIJA) of 2021.

<https://uscode.house.gov/view.xhtml?hl=false&edition=prelim&req=granuleid%3AUSC-prelim-title42-section300j-19h&num=0&saved>

Project type relevance: AWS

Program goals and eligible projects: Projects to be funded are those that employ new, existing, or emerging, yet proven, technologies, including technology that could address cybersecurity vulnerabilities, as determined by the EPA Administrator, that enhance treatment, monitoring, affordability, efficiency, or safety of the drinking water provided by the public water system, including technologies not identified in the EPA-commissioned study on advanced water technology.

Eligible Entities: An eligible entity is the owner or operator of a public water system that serves a population of not more than 100,000 people or an underserved community.

Funding cycle: No information yet.

Award max: Not available; \$10M/year through FY26 is authorized.

How to apply: Not available yet; monitor for release (links in strategy section)

Cost-share: 90% federal / 10% non-federal

Priority for pursuit: High, but this is not an active grant program yet.

Strategy: Monitor (monthly) <https://www.grants.gov/web/grants/search-grants.html> and <https://www.epa.gov/ground-water-and-drinking-water/drinking-water-grants> for release of funding opportunity (possibly in the next year). Recommendation: brackish test well of PRWC might be well-suited here – related to data provision to improve groundwater modeling for water supply evaluation. Assign someone to watch for developments here.

Pilot Program for Alternative Water Source Projects – EPA

This is not an active grant program; the funding authorization was made in the IJJA, but it is not guaranteed it will be funded.

[https://uscode.house.gov/view.xhtml?req=\(title:33%20section:1300%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:33%20section:1300%20edition:prelim))

Project type relevance: AWS

Program goals and eligible projects Grants received under this section may be used for engineering, design, construction, and final testing of alternative water source projects designed to meet critical water supply needs. Such amounts may not be used for planning, feasibility studies or for operation, maintenance, replacement, repair, or rehabilitation. Alternative water source project is defined as “a project designed to provide municipal, industrial, and agricultural water supplies in an environmentally sustainable manner by conserving, managing, reclaiming, or reusing water, wastewater, or stormwater or by treating wastewater or stormwater for groundwater recharge, potable reuse, or other purposes. Such term does not include water treatment or distribution facilities.” Critical water supply needs are defined as “existing or reasonably anticipated future water supply needs that cannot be met by existing water supplies, as identified in a comprehensive statewide or regional water supply plan or assessment projected over a planning period of at least 20 years.”

Eligible Entities: Entities that have the authority under state law to develop or provide water in an area of the State that is experiencing critical water supply needs.

Funding cycle: No information yet.

Award max: Not available; \$25M/year through FY26 is authorized by IJJA.

How to apply: Not available yet; monitor for release (links in strategy section)

Cost-share: 50% federal / 50% non-federal

Priority for pursuit: High – reservoir expansion and development of brackish sources (treatment excluded) are AWS project elements that seem to align with the AWS definition/scope of the program.

Strategy: Monitor for future grant program release and more clarity in the funding announcement for project scope; check status monthly here <https://www.grants.gov/web/grants/search-grants.html> and here <https://www.epa.gov/ground-water-and-drinking-water/drinking-water-grants>. Assign someone to watch for developments here.

Drinking Water System Infrastructure Resilience and Sustainability – EPA

<https://www.epa.gov/dwcapacity/drinking-water-system-infrastructure-resilience-and-sustainability>

Project type relevance: AWS

Program goals and eligible projects This grant aims to serve underserved communities that also have less than 10,000 individuals or that meet certain affordability criteria defined by the state. The final Notice of Funding Opportunity is not yet released, but a webinar on the program made it clear that eligibility will likely be based on both size (<10,000 people) and the particular EPA definition of underserved for the purposes of this program. Underserved is defined by EPA, for this program, as a community that “does not have household drinking water or wastewater services; or is served by a public water system that violates or exceeds a requirement of national primary drinking water regulation.” This likely rules out the communities in the service areas of Tampa Bay Water, Polk Regional Water Cooperative, or Peace River Manasota Regional Water Supply Authority. Projects available for funding include water conservation and use efficiency enhancement, modification or relocation of water system infrastructure, design or construction of desalinization facilities, water supply enhancement, energy efficiency enhancements in the conveyance or treatment of drinking water, or the development and implementation of resilience measures to natural hazards.

Eligible Entities: Public water systems, water system in an area governed by an Indian Tribe, or a State on behalf of a community. Entity must serve a small AND underserved community.

Funding cycle: Request for Applications (RFA) expected summer 2023. This is the first cycle of this opportunity.

How to apply: RFA expected soon; applications will be through grants.gov.

Award max: Unknown - \$19M for FY 2023

of applications last cycle; # of awards last cycle: Not available

Priority for pursuit: Low – municipalities served by Regional Water Supply Entities do not meet the underserved community definition. Some municipalities are low population, but not underserved.

Strategy: Monitor in future funding cycles; it is possible that community targets could change in future years to be more widely applicable based on other definitions of disadvantaged communities from [EJ Screen](#) or other sources.

Flood Control Project Grant Opportunities

For Flood Control projects, High priority is defined as 1) the District is eligible, and 2) the funding program goals align with District flood control project outcomes: reduced flood risks, improved climate resilience, and/or possible water quality improvements. Low priority is defined as: the funding program goals do NOT align well with the District flood control project outcomes (for example, NOAA’s resilience funding opportunities for which it would be stretch to show flow regime or water quality improvements that would improve fisheries habitat). **Table 2** summarizes the funding sources identified as “High” priority for flood control projects.

Table 2. Summary of High Priority Grant Sources – Flood Control projects

Program Name	Agency	Purpose/Project Candidate Example	Timing
Resilient Florida	FDEP	SLR adaptation (corrosion prevention); flood risk reduction (water control or storage improvements)	9/1/2023 close date; District actively pursuing annually
RESTORE Bucket 2	FDEP	Flood risk reduction, water quality improvements, hydrologic restoration; a project that achieves some combination of those things and has impacts over a large region would likely be competitive here	Early 2024 for high-impact project; 2026 for next open call for project proposals
Building Resilient Infrastructure and Communities (BRIC) – FDEM	FDEM - FEMA	Improved resilience to flood risks; control structure improvements that reduce risk of failure leading to flooding	NOI due to FDEM 8/31/2023; FEMA anticipated close date in Jan 2024
Hazard Mitigation Grant Program – FDEM	FDEM - FEMA	Reduced risks or flood impacts resulting from declared disasters (most commonly named storms); projects that provide flood risk reduction (water control or storage improvements)	Funding cycles close about 1 year after declared disasters

The following sections provide details on grant program funding goals, eligibility, timing, cost-share, and priority for pursuit related to flood control projects.

Resilient Florida Grants – FDEP

<https://floridadep.gov/Resilient-Florida-Program/Grants>

Project type relevance: Flood Control

Program goals and eligible projects Resilience planning and data collection for comprehensive plan updates; vulnerability assessments to identify or address flooding and sea level rise; projects, plans and policies to prepare for threats from flooding and sea level rise. Implementation projects must reduce the risks from flooding or sea level rise. Beginning 2024, a vulnerability assessment is required for funding. 50% cost share from the applicant is required unless the applicant is a financially disadvantaged small community (FDSC) as defined in section 380.093(5)(e), F.S. The scoring system is described in the statute and also the application guidance document in the program folder (see link in Appendix).

Eligible Entities: Counties, Municipalities, some special districts, regional resilience entities, water management districts, drainage districts, erosion control districts, flood control districts, and regional water supply authorities if the project mitigates the risk of flooding or sea level rise on water supplies or water resources of the state.

Funding cycle: July 1st to September 1st annually.

How to apply: <https://fdep.my.site.com/grants/s/> See best-practices document, application guidance, and pre-application worksheet in SharePoint folder (linked in Appendix). DEP has “office hours” on Tuesday mornings 9:30-11:30 a.m. EDT and Thursday afternoons 2:00-4:00 p.m. EDT.

Award max: \$25M was the maximum award amount from the most recent implementation projects list; total funding FY23 about \$300M for implementation projects.

of applications last cycle; # of awards last cycle: 71 implementation projects – final list for 2023-2024 Statewide Flooding and Sea Level Rise Resilience Plan projects; unknown total applications.

Priority for pursuit: High – District application in preparation; structure improvement projects reduce flooding risk and help adapt to sea level rise

Strategy: Continued annual pursuit by the District, targeting projects with substantial flood protection impacts and those that protect regionally significant assets.

Building Resilient Infrastructure and Communities (BRIC) – FEMA via FDEM

This is a FEMA grant but applications are through FDEM.

<https://www.floridadisaster.org/dem/mitigation/builing-resilient-infrastructure-and-communities-bric-grant-program/> ; <https://www.fema.gov/grants/mitigation/building-resilient-infrastructure-communities>

Project type relevance: Flood Control

Program goals and eligible projects: BRIC program goals are increased resilience and public safety, reduced loss of life and damage to/destruction of property, enhanced knowledge, skill, and expertise of the current workforce. All subapplicants need a FEMA-approved Hazard Mitigation Plan.

District projects should focus on flood and damage reduction for BRIC. Capacity-building grants refer to new plan creation and plan updates, project scoping, building codes and standards updates, partnership building activities, etc. These capacity-building efforts are only eligible under FEMA’s Flood Mitigation Assistance (FMA) – but the District would not be eligible for the FMA as it is not a community participating in the National Flood Insurance Program. From the FY 2022 FEMA FMA notice of funding opportunity: “All applicants and subapplicants must be participating in the NFIP, and not be withdrawn, on probation, or suspended.” NFIP communities are local governments only; list can be reviewed from <https://www.fema.gov/flood-insurance/work-with-nfip/community-status-book>.

Last year’s notice of funding opportunity (NOFO) for BRIC is here:

<https://www.floridadisaster.org/contentassets/0e4576c6e05c4a25b4f71add12b30920/fy-2022-bric-notice-of-funding-opportunity.pdf>

Projects must meet the following:

- Be cost-effective (FEMA BCA required)
- Reduce or eliminate risk and damage from future natural hazards
- Meet either of the two latest published editions of relevant consensus-based codes, specifications and standards
- Align with the applicable hazard mitigation plan (HMP)
- Meet all Environmental and Historic Preservation (EHP) requirements

Project worksheets are available from FDEM the following 9 project types:

1. Acquisition-Elevation
2. Drought
3. Flood Control-Drainage Improvement
4. Generator
5. Hurricane Safe Room
6. Tornado Safe Room
7. Utility Mitigation
8. Wildfire
9. Wind Retrofit

Eligible Entities (subapplicants): State Agencies, Federally-Recognized Tribes, Local Governments/Communities, Federally-recognized Native American Tribal Governments.

Funding cycle: Previous cycle FY2022 – Application Start Date: 9/30/22 and close Date: 1/27/23. Anticipated Close Date FY23: 1/26/24. Required Notice of Interest (NOI) due to FDEM 8/31/2023.

How to apply: NOI Form must be submitted to the Non-Disaster Programs email, non-disasterprograms@em.myflorida.com, by 5 PM EST on August 31, 2023. “Flood Control – Drainage Improvement Worksheet” is a required part of the application. This is completed by the subapplicant (the District) and used by The State of Florida Mitigation Technical Unit. They use the worksheet to conduct a Benefit Cost Analysis (BCA) for your project. Documentation is requested by the reviewer after the preliminary BCA.

Award max: No info on per-project maximum – but total funding is \$2.295B

Cost share: 75% federal / 25% non-federal

of applications last cycle; # of awards last cycle: Not available; 18 projects for Florida subapplicants in FY21

Priority for pursuit: High – structure improvements provide reduced flood risk and could be shown to have BCA showing cost-effectiveness related to damage reduction/avoidance.

Strategy: It is recommended that the District submit an NOI to FDEM if there is a suitable flood control project the would have a benefit-cost ratio (BCR) of greater than 1.

Hazard Mitigation Grant Program – FDEM

<https://www.floridadisaster.org/dem/mitigation/hazard-mitigation-grant-program/>

Program goals and eligible projects Funding under this program is linked to FEMA-declared disasters. Projects to be funded would need to demonstrate reduced risk and potential impacts from future disasters.

Eligible projects include, but are not limited to, the following:

- Acquisition or relocation of hazard-prone structures;
- Retrofitting of existing buildings and facilities that will result in increased protection from hazards;
- Elevation of flood-prone structures;
- Infrastructure protection measures;
- Stormwater management improvements;
- Minor structure flood control;
- Flood diversion and storage;
- Aquifer storage and recovery;
- Floodplain and stream restoration;
- Residential and community safe room construction; and/or
- Generators for a critical facility, provided they are cost-effective, contribute to a long-term solution to the problem that they are intended to address

Any proposed mitigation project must meet all of the following criteria:

- 1. Conforms with the State of Florida Mitigation Plan**
- 2. Provides a beneficial impact upon the disaster area:** A project should entail mitigation measures that possess: the potential for reducing loss of life and property in the disaster area; the potential to solve other social and economic problems through multi-objective planning.
- 3. Conforms with environmental regulations:** A project must be in conformance with 44CFR Part 9, Floodplain Management and Protection of Wetlands (Executive Orders 11988 and 11990), as well as 44CFR Part 10, Environmental Considerations (environmental requirements of the National Environmental Policy Act).
- 4. Solves a problem:** A project must solve a problem independently or constitute a functional part of a solution where there is assurance that the project as a whole will be completed. A study or plan that identifies or simply analyzes a problem without a funded, and scheduled, implementation plan will not be eligible.
- 5. Impacts a local government participating in the National Flood Insurance Program** If the local government has Special Flood Hazard Areas; it must participate in the National Flood Insurance Program in order to receive a Hazard Mitigation Grant Program project. The National Flood Insurance Program provides flood insurance to encourage residents and local governments to mitigate flood damage.
- 6. Meets all applicable State and local codes and standards and does not contribute to or encourage development in coastal high hazard areas or other vulnerable areas.**
- 7. Demonstrates cost-effectiveness** A project must be cost-effective and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster. This requirement is satisfied by performing an analysis to determine whether the benefits to be gained are greater, or at least equal to, the cost of the project. The subgrantee must document that the project addresses a problem that has been repetitive, or a problem that poses a significant risk to public health and safety if left unresolved.
- 8. Considers a Range of Alternatives** The subgrantee must document that the project has been determined to be the most practical, effective, and environmentally sound alternative after considering a range of options.

Eligible Entities: Government Entities, Private Non-Profit Organization, Indian Tribes. Eligible mitigation projects to be submitted for funding consideration has been delegated to each county's Local Mitigation Strategy Working Group (LMSWG).

Funding cycle: Funding cycles close about 1 year after the declared disaster. For example, DR-4680 Hurricane Nicole and DR-4673 Hurricane Ian applications are open. DR-4673 Hurricane Ian applications due (from County LMSWG) 8/29/23; DR-4680 Hurricane Nicole applications due 10/20/23.

Cost share: 75% federal / 25% non-federal

How to apply: The process for applying for HMGP funds begins at the county level with each county's LMSWG. They alone determine which eligible mitigation projects will be placed on their project priority

list. They use this list to track and organize projects from across their county that they want to submit for funding consideration for the HMGP. To request that an eligible mitigation project be added to a county's project priority list, then please contact the applicable county directly.

Award max: Unknown

of applications last cycle; # of awards last cycle: Unknown

Priority for pursuit: High – upcoming cycles; structure improvements would reduce failure risk and flood risk during extreme rain (declared disaster) events

Strategy: Contact County LMSWG in areas where applicable flood protection projects would benefit the County. Contact list provided in program specific folder on Sharepoint.

RESTORE Bucket 2 – FDEP

<https://floridadep.gov/wra/deepwater-horizon/content/funded-priorities-list-3b-programs-florida>

Project type relevance: Flood Control or AWS (though it is unlikely AWS would align well with program goals)

Program goals and eligible projects: Program goals change about every 2 years as RESTORE Council updates its Funded Priorities List (FPL). The three program areas in the most recent call for projects were:

- Gulf Coast Resiliency Program (natural shorelines and land acquisition are the project techniques highlighted in this program) – land acquisition for reducing flood impacts and habitat loss
- Gulf Coast Tributaries Hydrologic Restoration Program (restore hydrologic connectivity, restore natural salinity regimes, and land acquisition are the project techniques highlighted in this program)
- Water Quality Improvement Program (stormwater management, erosion and sediment control, and land acquisition are the project techniques highlighted in this program)

The currently prioritized District water control structure improvements are not well suited to Bucket 2 funding, but land acquisition, regional stormwater treatment, or other large flow improvement (contributing to a more natural hydrologic regime) or water quality projects would be competitive projects here, based on the most recent FPL program areas.

Eligible Entities: Local governments, including county and municipal governments, special districts, water management districts, state agencies and non-governmental organizations.

Funding cycle: New funding cycles are initiated about every 2 to 4 years. For the most recent FPL, Florida solicited projects for RESTORE FPL3b programs from June 9 through July 11, 2022. The next expected open call for proposals will be in 2026, however, FDEP indicated they could accept high-impact

project proposals in early 2024, depending on project type details and impacts align with the 3 program areas above.

How to apply: <https://floridadep.gov/WRA/Deepwater-Horizon> Not currently open; monitor for future program goals/eligibility

Award max: \$30M total awarded in most recent cycle. Maximum project amount from the most recent selections was \$9.5M.

of applications last cycle; # of awards last cycle: 12 awards in latest cycle; unknown total applications.

Priority for pursuit: High – land acquisition and large water quality projects (possibly multi-jurisdiction) could be competitive for RESTORE Bucket 2 funded administered by FDEP.

Strategy: Identify District or collaborator (unfunded CFI submissions) projects with significant land acquisition or major water quality benefits. District projects with water quality and restoration benefits should consider pursuit of these funds in future funding cycles depending on program area alignment. Contact FDEP (Sarah Ketron) if there is a promising high-impact water quality or land acquisition project. There is previous District success here. Recommendation: discuss with District project managers on that past award to ensure that the lessons learned will benefit the District on project identification and/or decision on pursuit for this funding.

USACE Funding Process

USACE offers two funding sources that are potentially relevant to SWFMWD requirements: these are referred to as Section 7001, and CAP funding. In all cases, projects must align with the USACE mission, which is flood control, environmental restoration, and navigation.

Section 7001 funding typically deals with a reservoir where there are locks, dams or some other water control structure that is primary for flood mitigation purposes but includes a water supply benefit. In Florida, the Herbert Hoover dike is the best example, where flood risk management is the primary objective but water supply is an important benefit. Elsewhere in Florida, ecosystem restoration where the hydrology is not the core objective is difficult; in hydrologic restoration, extra water is not available. Where flows can be attenuated to produce additional water supply, including aquifer storage and recovery, USACE funding may enter the picture. SWFWMD is currently undergoing LOCAR; this Lake Okeechobee Section 203 Study is focused on identifying above ground storage north of the Lake and is conducted by the South Florida Water Management District. USACE is currently gathering information to define issues and concerns that will be addressed in an analysis to be prepared in compliance with the NEPA that SWFWMD will need for its feasibility study before it can be submitted to the Assistant Secretary of the Army for Civil Works. SWFWMD does not have surface water bodies of a similar footprint as Lake Okeechobee of course, but there are large reservoirs for water supply, both in use and in development within its jurisdiction.

In any event, the process for Section 7001 begins with direct coordination with USACE officials, informally. A call is out each August for Section 7001 proposals. The District would work together with USACE to develop a Section 7001 proposal for review and approval. Typically, the approval process takes roughly one year. Following approval, typically appropriation of funds takes one year. Following appropriation, a feasibility study takes approximately three years¹. Following study, the works are submitted to Congress for funding of implementation through WRDA. In summary, the cycle is about five years.

The process for Continuing Authorities Programs (CAP), which have a total project cost limit of \$15M, is similar but shorter. CAP proposals can be submitted any time of the year. A potential sponsor submits a request for a study, USACE completes a “study information report” to compete for CAP study funding as part of annual budget development. Once funding is received, USACE completes a Federal Interest Determination (usually 3-6 months) to submit for approval to complete the full planning study. A full CAP study takes one to less than three years. Approval doesn’t have to go to Congress like a typical, larger General Investigations study. An average CAP study costs about \$750,000; the cost share is 50/50. Then the project competes for CAP construction funds at the national level.

In both cases, the first step recommended is a call to the head of Planning in the relevant USACE for the project under consideration. Two separate paths include planning assistance and direct lobbying. USACE planning assistance may be available to assist in identifying alternative water supply alternatives, but no funding is provided, only analysis. Direct lobbying will occasionally succeed in funding projects directly into the WRDA bill without the steps described above.

Public Private Partnerships (P3)

Public private partnerships (P3s) are contractual agreements between a public agency and a private entity that allow for greater private participation in the delivery of projects. In a P3, this participation typically involves the private sector taking on a major share of the risks in terms of financing and construction, from design and planning, to long-term maintenance. Early involvement of the private sector can bring innovation, efficiency, and capital to address complex infrastructure problems facing State and local governments. P3 arrangements offer the opportunity to reduce and streamline project costs, but transactional costs will typically be higher due to greater contractual complexity.

A variant of P3 funding is private sector outcomes-based financing. In outcomes-based funding, the private sector funder works with the public agency to analyze outcomes, risks, and costs of a prioritized project, and customize a repayment stream. The funder pays upfront for costs that the public agency

¹ In 2012, the USACE determined that feasibility studies will follow a 3x3x3 rule: be completed in a target goal of 18 months but no more than 3 years; cost less than \$3M; and require 3 levels of vertical coordination (District, Major Subordinate Command (MSC) and Headquarters).

would have incurred over time, typically through a bond scenario. Further details on P3s are provided in Appendix A.

Strategy: The District may wish to further explore P3s for financing directly with industry. In discussion with P3 providers, a low-cost entry point for the District would be to offer an industry listening session and invite water-related P3 firms to participate to gage the interest and feasibility/cost of revenue streams for private partners. Some example firms include: <https://onewaterp3gurus.com/>, <https://ridgewoodinfrastructure.com/> (partner with Fort Lauderdale on wastewater treatment plant), <https://sevensseaswater.com/public-private-partnerships/>, <https://ecosystempartners.com/our-work/> (Florida based firm focused on environmental quality and mitigation P3s), and quantified ventures (<https://www.quantifiedventures.com/hampton-eib>).

Link to underlying data

Potential funding opportunities that could support AWS or flood control projects were tabulated in a spreadsheet with key attributes including Project Type, Eligibility, Funding Program Name, Funding Source (agency), Funding Type (grant or loan), Program Information (what the program will fund), Application timing (listed or expected deadline), link to program information and documents, and recent or expected number of awards. These attributes were used to inform the assessment of prioritization. Program eligibility was determined based on eligibility entities (who can apply) and eligible project types (the types of projects targeted by the funding program). Eligibility was designated as Y (yes), N (no), or M (maybe – further investigation would be needed to determine eligibility based on project scope or areas served). Column descriptions are defined in the associated spreadsheet. All column descriptions are defined in the spreadsheet. The spreadsheet of tabulated grant opportunities is included with this memo (linked in Appendix) and is also available for interactive review at: <https://datavisual.balmoralgroup.us/watergrants-SWFWMD>.

Southwest Florida Water Management District

Grant Funding Opportunities List for Alternative Water Supply (AWS) and Flood Control Projects



Eligible
 M
 N
 Y

Project Type
 AWS
 Flood Control

Funding Type
 Grant
 Low-Interest Loan

of Funding Source Options

Notes:
 • hold control and click to select more than 1 option for each slicer/filter.
 • scroll right to see additional table information

Project Type	Funding Source	Funding Program Name	Anticipated Funding Application Deadline	Link
AWS	EPA	Drinking Water System Infrastructure Resilience and Sustainability	3/13/2024	https://www.epa.gov/dwcapacity/drinking-water-system-infrastructure-resilience-and-sustainability
AWS	EPA	Pilot program for alternative water source projects		https://www.law.cornell.edu/uscode/text/33/1300
AWS	NOAA	Coastal Habitat Restoration and Resilience Grants for Underserved Communities	10/14/2023	https://www.fisheries.noaa.gov/grant/coastal-habitat-restoration-and-resilience-grants-underserved-com
AWS	State - FDEP	Alternative Water Supply Grants	8/30/2023	https://floridadep.gov/water-policy/water-policy/content/alternative-water-supply-grants-0

Figure 1. Screenshot of grant opportunities table viewer

The data viewer allows users to toggle on/off different filters for eligibility, project type, and funding type. Links and program information is included and recent or expected number of awards was quantified where available.

Compliance Requirements

Compliance with funding provisions will be similar across the possible federal opportunities identified. Both recipients and subrecipients will have nearly identical compliance standards and responsibilities. Key compliance elements are summarized in the following sections. Performance and financial reporting annually or twice-annually would be expected of any federal awards.

Uniform Guidance

[Uniform Guidance for Federal Awards – 2 CFR 200](#) – The establishment of Uniform Guidance (also known as 2 CFR 200) streamlined and standardized the administrative requirements, cost principles, and audit requirements of federal awards. All federal awards from any agency need to comply with 2 CFR 200 provisions. Procurement, Build America Buy America (BABA), and Davis Bacon Act provisions are the three areas of key area of impact in which 2 CFR 200 adherence will require more documentation and monitoring. Most federal awards require twice-annual or annual performance and financial reporting to the granting agency. All procurements and equipment purchases would be made and documented in alignment with Uniform Guidance. Subrecipient monitoring would be setup to align with and precede the required recipient to agency reporting.

Procurement

Generally speaking, the procurement standards require fully open and competitive solicitations. [2 CFR 200.317-327](#) are the relevant procurement sections. It is beyond the scope of this report to detail Uniform Guidance for procurement and other provisions, but two key items are described here: procurement policies and open/fair competition.

Procurement policies must include “written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.” To ensure “objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.” Continuing service contracts would need to be reviewed on a case-specific basis to evaluate federal compliance; that would depend on the type of work, how the procurement was completed, and how recently the procurement was done.

Build America Buy America (BABA)

BABA has established numerical minimum thresholds for domestic (U.S.) sourcing of all of the iron, steel, manufactured products, and construction materials used in infrastructure projects that are federally funded (projects awarded after May 14, 2022). BABA requirements flow down to all sub-awards, contracts, subcontracts, and purchase orders for work performed under the federally-funded project. Grant recipients or subrecipients must maintain certifications or other documentation for proof of compliance that the materials used in the infrastructure project are produced in the United States. BABA only applies to the specified materials or manufactured products incorporated into an infrastructure project; it does not apply to tools, equipment, and supplies.

If BABA material sourcing requirements increase the total project cost by more than 25%, an unreasonable cost waiver could be applied. More information on BABA can be found from [Office of Management](#). For RESTORE Bucket 2 funds, BABA would not apply, as RESTORE funds were exempted as they are disaster related.

Davis Bacon Act (DBA)

The DBA sets minimum hourly wages for federally funded or assisted construction projects. Contractors and subcontractors must pay laborers at least the wage listed in the Davis-Bacon wage determination in the contract, for the work performed for the location of the project. Davis-Bacon labor standards clauses must be included in covered contracts. More information can be found from [Department of Labor](#).

Next Steps: Strategy and Priorities

For AWS project grants, the high priority funding options are:

- Alternative Water Supply Grants (FDEP) – strategy: continued annual pursuit – focus on RWSP projects and MFL-waterbody benefiting projects
- Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program (EPA) – strategy: monthly monitoring for program information updates or program release, and identification of best-aligned AWS projects (brackish and storage increase elements of the AWS likely fit best here)
- Advanced Drinking Water Technology Grant program (EPA) – strategy: monthly monitoring for program information updates or program release (brackish test well of PRWC or project elements that include advanced monitoring telemetry would fit best here)
- Pilot Program for Alternative Water Source Projects (EPA) – strategy: monthly monitoring for program information updates or program release (reservoir expansion and development of brackish sources seem best aligned with this program)

For flood control project grants, the high priority funding options are:

- Resilient Florida (FDEP) – strategy: continued annual pursuit
- RESTORE Bucket 2 – strategy: identify high-impact water quality and/or land acquisition (for flood protection or habitat restoration) project, initiate discussion with FDEP to evaluate likelihood or early 2024 project submittal or 2026 open call for submissions
- Building Resilient Infrastructure and Communities (BRIC; FDEM-FEMA) – strategy (urgent): submit NOI by 8/31/23 to get in the queue for FY23 funding (target projects with quantifiable avoided damage from reduced flood impacts)
- Hazard Mitigation Grant Program – (FDEM-FEMA) – strategy: identify flood protection project with quantifiable avoided damage from reduced flood impacts – those that can be shown to have expected benefits well above the costs – contact appropriate County leads of Local Mitigation Strategy Working Group (LMSWG) to evaluate if District project could be added to the County priority project list.

Appendices

Deliverables

The grant opportunities spreadsheet can be retrieved [here](#).

The program information documents can be found in their respective folders [here](#).

Appendix A: Public Private Partnerships (P3)

Establishing a P3 would require the initiative of the District and Water Supply Authorities to identify interested partners and collectively develop agreeable income streams for the private partner. Revenue in a P3 related to water supply would likely come from the following sources:

Investment Returns: If the private partner is responsible for making infrastructure investments or upgrades, they could earn returns on these investments over time. This might involve charging the water utility for the use of the upgraded facilities.

Performance Incentives: PPP contracts often include performance-based incentives. If the private partner achieves certain targets or improvements in the system's efficiency, maintenance costs, or other key metrics, they might receive additional revenue.

Service or Asset Management Fees: The private partner could receive revenue through service fees paid by the water authority for managing and operating water and/or wastewater systems. These fees might cover administrative costs, labor, maintenance, and operational expenses.

Other Revenue Streams: Depending on the specific terms of the PPP agreement, there could be other revenue sources such as joint ventures or water quantity trading schemes that might generate income for a private partner.

Transaction costs: Typically, the transactional costs in a P3 approach will be costlier than traditional government financing. The benefit of P3s is the ability to bring on capacity or address costly upgrades more quickly than without a private partner. The potential additional costs would need to be compared against costs of low-rate financing – from Water Infrastructure Finance and Innovation Act (WIFIA), State Revolving Funds (SRF), or long-term bonds.

Exempt Facility Bonds or Private Activity Bonds (PABs) are one Public-Private Partnership Approach to Infrastructure Investment. Private activity bonds (PABs) or exempt facility bonds are a form of tax-exempt financing that encourages state and municipal governments to collaborate with sources of private capital to meet a public need. The partnership approach makes infrastructure repair and construction more affordable for municipalities and ultimately for users or customers. Exempt facility bonds utilize private capital instead of public debt and shift the risk and long-term debt from the municipality to the private partner. The tax-exempt bond provides lower cost financing, which can translate to lower costs for the customer – all with no impact to a municipality's bond rating.