CITY OF CORAL GABLES

--MEMORANDUM--



TO: Mayor of the City, Members of the City Commission

City Manager, Assistant City Manager

FROM: Vice Mayor Vince Lago

DATE: August 28, 2019

SUBJECT: Septic Tanks to Sewage System Conversion

The City of Coral Gables has a large number of residential properties using septic systems to treat black and grey wastewater. Please refer to the City of Coral Gables Sanitary Sewer System (North) and 2016 Sea Level Rise Lidar map enclosed which identifies the locations of existing septic systems.

The impacts of septic systems on water quality in Florida and other low-lying areas and locations with porous hydrology similar to Florida are well established. Septic systems located near lakes, canals, rivers, and the ocean can leach effluents such as bacteria, nitrogen, phosphorus and other substances that feed algae blooms and cause beach closures. In addition, as water levels rise due to flooding or sea-level rise, septic systems lose their ability to process and break down effluents. See the articles and Septic to Sewer Guidance Document attached. Further, I have heard that individuals looking to build new homes in Coral Gables are reluctant to purchase properties that do not have sanitary sewer service.

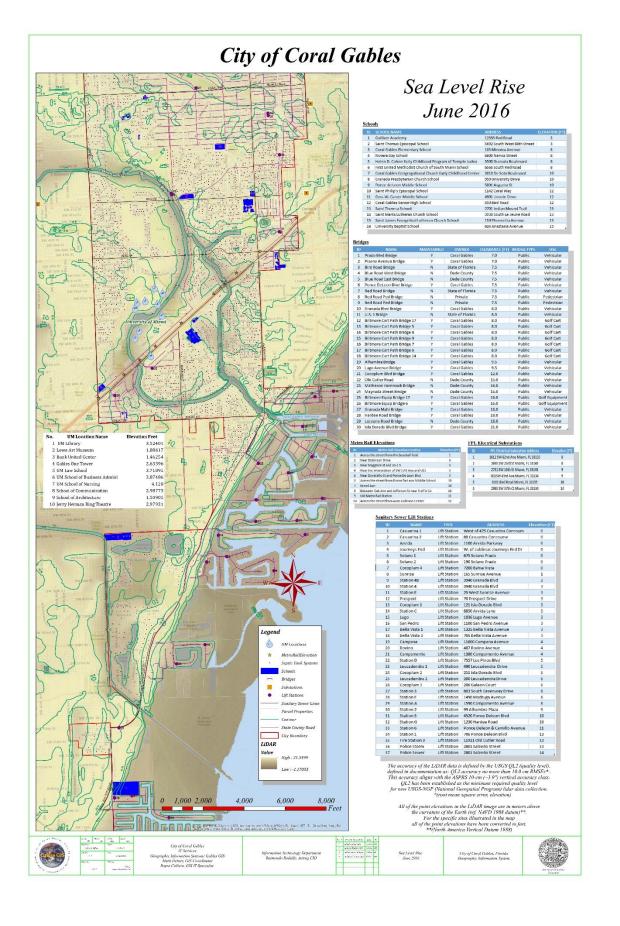
In 2016, the Florida legislature and the Governor of Florida made it clear that "Local governments ... must coordinate to restore and maintain the water quantity and water quality of the Outstanding Florida Springs." In the "Florida Springs and Aquifer Protection Act," Fla. Stat. §§ 373.801, et. seq. ("Water Act"), the State has noted that discharges resulting from inadequate wastewater and stormwater management practices, adversely impact the health of the aquifer system, springs, and waterways.

Section 7 of the Septic to Sewer Guidance Document attached identifies external funding sources to address septic to sewer projects. The first step The City must take in order to seek external funding and establish a budget for a septic to sewer project is to conduct a preliminary engineering study with the objective of prioritizing and ranking services areas and develop preliminary cost estimates. Other municipalities in Florida, such as Vero Beach have conducted a case study, please refer to the information enclosed.

I have met with Congresswoman Donna Shalala and State Representative Javier Fernandez to discuss potential funding opportunities at the state and local level and will continue to meet with our state and federal leaders to discuss this topic. At our next Commission meeting on September 10th, I would like to discuss the allocation of funds in our Annual Budget and Five-Year Capital Improvement Plan for an engineering study to be conducted.

CC: City Attorney, Miriam Ramos Public Works Director, Hermes Diaz

City of Coral Gables Sanitary Sewer System (North) Legend MANHOLE PUMP STATION GRAVITY MAIN - FORCEMAIN 04 08 14 18 19 20 20 21



External Funding Alternatives



As Section 3 discusses, the cost of a septic to sewer conversion is substantial and more than most communities can support without funding from external sources. Funding for septic to sewer projects includes two distinct elements:

- Funding the infrastructure improvements construction and associated planning and design
- Methods by which any borrowed funds for such infrastructure are repaid by property owners, end users, and/or other future revenue streams

External funding sources that are available to a local government or utility vary depending on the size and demographics of the community and may be grant or loan funding. Although repayment is not required with grant programs, there may be a certain level of administrative costs and/or construction requirements (such as Davis Bacon Wage requirements or American Iron and Steel requirements) associated with various loan and grant programs. Outlined below are select funding sources that may be an option to assist you with your septic to sewer projects.

Springs Funding

Source Description: The Florida Springs and Aquifer Protection Act was passed in the 2016 legislative session and is aimed at protecting Florida springs fed by the Floridan Aquifer. Under the Act, a Basin Management Action Plan (BMAP) must be established when an Outstanding Florida Spring is found to be impaired by a given pollutant. The BMAP must outline priorities for identifying sources of the pollutant and taking corrective action. Specifically, this law requires any municipality within a Florida Outstanding Springs BMAP to begin a program of septic system remediation, a nod to the fact that improperly sited or poorly maintained septic systems are a leading contributor to water pollution. Further, no new septic

systems will be allowed on lots smaller than 1 acre. Projects identified as protecting the water quality and quantity of Outstanding Florida Springs (and the six additional springs specifically identified in the Act) are eligible for funding. Dollars were allocated through the Legacy Florida Bill, which set aside up to \$50 million for Florida springs protection projects. Funds may be used for land acquisition to protect springs and for capital projects that protect the quality and quantity of water that flows from springs. Each water management district with springs within its boundaries has established a process for submitting projects for consideration for project funding. Projects must be approved by the water management district governing board. Project agreements are administered by a water management district or FDEP depending on the nature of the project. A FDEP guidance document dated October 17, 2017 can be found HERE (Attachment 15, Page 469).

- Source Agency(ies): FDEP and the water management districts.
- Source Type: Grant with match.
- \$ Amounts: \$50 million annually for 20 years beginning in 2016.
- Eligibility: Local governments, utilities, agricultural entities within the springsheds of the identified springs.
- **Cycle:** Annual as identified through individual water management districts.
- Contacts:
 - FDEP: Trina Vielhauer, 850.245.2998, Trina. Vielhauer@dep.state.fl.us
 - SWFWMD: Jennette Seachrist, 813.985.7481
 x-2210, Jennette.Seachrist@WaterMatters.org

- SJRWMD: Dale Jenkins, 386.312.2304, drjenkins@sjrwmd.com or Mark Brandenburg, 407.659.4806, mbrandenburg@sjrwmd.com
- **SRWMD:** Projects Team, 386.362.1001, projects@srwmd.org
- **NWFWMD:** Christina Coger, 850.539.5999, Christina.Coger@nwfwater.com

Websites:

- SWFWMD: http://www.watermatters.org
- SJRWMD: https://www.sjrwmd.com
- SRWMD: http://www.srwmd.state.fl.us
- NWFWMD: http://www.nwfwater.com

US Department of Agriculture (USDA) Rural Development Water & Waste Disposal Loan & Grant Program

Source Description: This program provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and stormwater drainage to households and businesses in eligible rural areas. This program assists qualified applicants who are not otherwise able to obtain commercial credit on reasonable terms.

- Source Agency: USDA.
- Source Type: Grant/loan.
- **\$ Amounts:** Determined annually through Congressional appropriation.
- **Eligibility:** State and local governments, private nonprofits, and federally recognized tribes.
- Cycle: Applications are accepted year round, awards based on funding availability.
- Contact: Michael A. Langston, Director, Community Programs, 352.338.3440, michael. langston@fl.usda.gov
- **Website:** https://www.rd.usda.gov/programsservices/water-waste-disposal-loan-grant-program

Community Development Block Grant (CDBG) Program (Neighborhood Revitalization, Commercial Revitalization, Economic Development and Housing)

Source Description: The CDBG program is a federal program that provides funding for housing and

community development activities. CDBG projects must meet one of three national objectives:

- 1. Benefit low- and moderate-income persons.
- 2. Eliminate slum or blight.
- 3. Address an urgent need that poses a serious threat to people living in that area.

Sewer hookups can be paid for through the Neighborhood Revitalization and Housing Programs.

- **Source Agency:** Department of Economic Opportunity.
- Source Type: Grant.
- \$ Amounts: Annual state allocation with project allocations up to \$750,000.
- Eligibility: Counties with a population of less than 200,000 and cities less than 50,000 not participating in an entitlement program.
- **Cycle:** Annual as identified through individual water management districts.
- Contact: Roger J. Doherty, Planning Manager, 850.717.8417, roger.doherty@deo.myflorida.com
- Website: http://www.floridajobs.org/communityplanning-and-development/assistance-forgovernments-and-organizations/florida-small-citiescommunity-development-block-grant-program

State Revolving Fund (SRF) Clean Water Fund/Small Community Wastewater Grant

Source Description: FDEP administers the Clean Water SRF loan program for financing public sewer utility infrastructure projects. Funds are available for Planning Loans, Design Loans, Inflow/Infiltration Loans, and Construction Loans. Financing rates vary based on the median household income, poverty index, and unemployment index, but average less than 50 percent of the market rate. The SRF loan repayment terms are typically limited to 20 years. Federal law requires FDEP to include Davis-Bacon wage rates and American Iron and Steel provision in all loan agreements. To offset the additional costs that result from these new requirements, the base financing rate will be reduced by 1 percent in all construction agreements. Additionally, these amendments will require the development and implementation of a fiscal sustainability plan for all construction loans.

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- Source Agency: FDEP.
- Source Type: Loan/grant.
- \$ Amounts: Approximately \$250 million annually for all SRF programs, annual segment caps apply.
- · Eligibility:
 - CWSRF: Local governments, authorities, special districts, and agencies thereof.
 - Small Community WW Grant: Local governments with less than 10,000 residents and per capita income less than the state average.
- Cycle: Annual appropriation through the Clean Water Act, can submit a request to be included in the process at any time, multiple hearings held annually provide opportunities to be added to the list of eligible projects.
- **Contact:** Tim Banks, PE, Program Director, CWSRF, 850.245.2969, timothy.banks@dep.state.fl.us
- Website: https://floridadep.gov/wra/srf

Water Infrastructure Finance and Innovation Act (WIFIA)

Source Description: EPA has recently developed the WIFIA program to provide a subsidized loan program for water- and sewer-related infrastructure projects. WIFIA works separately from, but in coordination with, the SRF programs to provide subsidized financing for large dollar-value projects. WIFIA can only fund a maximum of 49 percent of eligible project costs; total federal assistance may not exceed 80 percent of a project's eligible costs, 35 years is the maximum final maturity date from Substantial Completion, repayment may be deferred no more than 5 years after Substantial Completion of the project, interest rate will be equal to or greater than the U.S. Treasury rate of a similar maturity at the date of closing, and projects must be creditworthy and have a dedicated source of revenue and all other federal cross-cutter provisions (i.e., NEPA, Davis-Bacon, American Iron and Steel) apply.

- Source Agency: US Environmental Protection Agency.
- Source Type: Loan.
- **\$ Amounts:** Projects have minimum size requirements (\$20 million for large communities and \$5 million for communities of 25,000 or less).

- Eligibility: Federal, state, local, and tribal governments, partnerships and joint ventures, corporations, trusts.
- Cycle: EPA announces WIFIA funding availability and application process details in the Federal Register and on its website.
- **Contact:** Jorianne Jernberg, 202.566.1831, jernberg.jorianne.email@epa.gov
- Website: www.epa.gov/wifia

TMDL Water Quality Restoration Grants

Source Description: TMDL grants provide funding for the implementation of best management practices, such as regional stormwater treatment facilities, designed to reduce pollutant loads to impaired waters from urban stormwater discharges. This funding can be used for septic to sewer projects as well. The construction must be completed within 3 years of appropriation of the funds by the Legislature to ensure funds remain available. The applicant must provide a minimum of 50 percent of the total project cost in matching funds, of which at least 25 percent is provided by the local government. The grant funds are used for construction of best management practices, monitoring to determine pollutant load reductions, or public education activities specifically associated with the project and may only occur after the date of contract. Funds spent in advance of contract may be used for match, such as design, land acquisition, and other costs incurred by the applicant.

- Source Agency: FDEP.
- Source Type: Grant with match.
- \$ Amounts: Approximately \$5 million annually.
- **Eligibility:** Local governments and state water management districts.
- Cycle: Projects are evaluated three times per year (March, July, and November).
- Contact: Emily Forinash, 850.245.2938, Emily. Forinash@dep.state.fl.us
- Website: https://floridadep.gov/wra/319-tmdlfund

St. Johns River Water Management District (SJRWMD) Cooperative Funding

Source Description: SJRWMD's cost-share funding is for projects that benefit the District's core missions, one of which is water quality-nutrient-loading reduction. Projects are eligible for a maximum of 10 percent of the total available funds or a maximum of \$2.5 million per project and per applicant (based on \$25 million in funding). Funding is limited exclusively to construction-related costs. Projects may span a maximum of 2 years but must start by the end of the state's fiscal year (June 30). Projects that are permitted and ready to begin construction will receive a higher score during the review process. The District will fund up to 33 percent of the construction costs for selected alternative water supply, water quality, flood protection, and natural systems projects and up to 50 percent for water conservation projects. Rural Economic Development Initiative (REDI) communities can submit a waiver of matching funds letter.

- Source Agency: SJRWMD.
- Source Type: Grant with match.
- \$ Amounts: Approximately \$25 million for FY 2017–2018.
- Eligibility: Public, private, and non-profit entities.
- Cycle: Annual as identified through individual water management districts.
- Contact:
 - Dale Jenkins, 386.312.2304, drjenkins@ sirwmd.com.
 - Mark Brandenburg, 407.659.4806, mbrandenburg@sjrwmd.com
- **Website:** https://www.sjrwmd.com/ localgovernments/funding/#FY2017-2018

Suwannee River Water Management District (SRWMD) RIVER Governmental Cost Share Program

Source Description: SRWMD has developed a cost-share program to assist county governments, municipalities, water supply authorities, and other interested units of local government with a cost-share program for projects that enhance or address the District's core mission of managing water supply, water quality, flood protection, and natural systems. The Regional Initiative Valuing Environmental Resources (RIVER) local government cooperative

funding program provides an opportunity for local government to obtain cost-share funding for projects that foster the District's core mission. Projects must conserve our water supply, protect springs, develop alternative water supplies, advance aquifer recharge, improve water quality, enhance or restore natural systems, and provide improved flood protection.

- Source Agency: SRWMD.
- Source Type: Grant with match.
- **\$ Amounts:** Funding allocated annually by the District Governing Board.
- Eligibility: County governments, municipalities, water supply authorities, and other interested units of local government.
- Cycle: The District is transitioning the RIVER Governmental Cost Share Program to multiple grant cycles per year.
- Contact: Projects Team, 386.362.1001, Projects@ srwmd.org
- Website: http://www.srwmd.state.fl.us/index. aspx?NID=374

Northwest Florida Water Management District (NWFWMD) Cooperative Funding

Source Description: NWFWMD maintains a Water Project Priorities Database. The goal is to have a comprehensive list of water projects in anticipation of potential future funding opportunities. Objectives are to assist in a coordinated and cooperative effort among funding entities interested to support water projects in northwest Florida communities and to consider local needs and priorities in water resource policy and planning. Projects could be conceptual plans or "shovel ready." Types of water projects include water supply development for traditional and alternative water supply development, water conservation that results in quantifiable efficiencies and water savings, springs or watershed restoration protecting water quality and/or flows or levels, stormwater retrofits or upgrades improving water quality and/or flood protection, and wastewater retrofits or upgrades to protect natural systems (e.g., watersheds and receiving waters).

- Source Agency: NWFWMD.
- Source Type: Grant with match.

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- \$ Amounts: Variable.
- Eligibility: Public, private, and non-profit entities.
- **Cycle:** Projects may be submitted to the District at any time.
- Contact: Christina Coger, 850.539.5999, Christina. Coger@nwfwater.com
- Website: http://www.nwfwater.com/Water-Resources/Funding-Programs/Water-Projects-Database

Southwest Florida Water Management District (SWFWMD) Cooperative Funding

The SWFWMD Cooperative Funding Initiative (CFI) will potentially fund septic to sewer projects in the Springs areas addressed in the Florida Springs and Aquifer Protection Act.

• Contact: Mary Kassabaum, 352.796.7211, x-4759, Mary.Kassabaum@WaterMatters.org

Economic Development Administration (EDA)

Source Description: EDA's Public Works program helps distressed communities revitalize, expand, and upgrade their physical infrastructure. This program enables communities to attract new industry; encourage business expansion; diversify local economies; and generate or retain long-term, privatesector jobs and investment through the acquisition or development of land and infrastructure improvements needed for the successful establishment or expansion of industrial or commercial enterprises. EDA invests in traditional public works projects, including water and sewer systems improvements that are tied to economic development opportunities. The project must demonstrate alignment with at least one of EDA's current investment priorities and is evaluated on its potential to increase the capacity of the community or region to promote job creation and private investment in the regional economy, the likelihood that the project will achieve its projected outcomes, the ability of the applicant to successfully implement the proposed project including the applicant's financial, and management capacity and the applicant's capacity to secure the support of key public and private sector stakeholders.

- Source Agency: Department of Commerce EDA.
- Source Type: Grant with match.

- \$ Amounts: Award ceiling of \$3,000,000 per project.
- Eligibility: Economic development district/ organizations; Indian tribe; state, city, or other political subdivision of a state, including a special purpose unit of a state or local government engaged in economic or infrastructure development activities; institution of higher education; public or private non-profit organization with local government support.
- Cycle: There are no submission deadlines under this opportunity. Proposals and applications will be accepted on an ongoing basis until the publication of a new EDA Federal Funding Opportunity (FFO).
- Contact: Greg Vaday, AICP, 404.730.3009, E-Mail: qvaday@eda.gov
- Website: www.eda.gov/programs/eda-programs

Deepwater Horizon Funding

Source Description: FDEP continues to accept project proposals funded by the proceeds from the Deepwater Horizon Oil Spill settlements. Projects submitted can be considered for funding under RESTORE Act, Natural Resource Damage Assessment (NRDA) Restoration and the National Fish and Wildlife Foundation (NFWF). Project submittals will be evaluated by FDEP and the Florida Fish and Wildlife Conservation Commission. Projects will ultimately be submitted to the Gulf Coast Ecosystem Restoration Council by the Governor for consideration for inclusion in the Funded Priorities List for RESTORE funding, the Florida Trustee Implementation Group for consideration of NRDA funding, or the National Fish and Wildlife Foundation for consideration of Gulf Environmental Benefit funding.

- Source Agency: Florida Department of Environmental Protection and the Florida Fish and Wildlife Conservation Commission
- Source Type: Grant, Matching funds are not required
- **\$ Amounts:** Variable, but over the next 15 years over \$1 billion is expected to be made available for projects in Florida.
- Eligibility: Each of the funding streams have their own project eligibility criteria, objectives, goals, and priorities, but in general all involve restoration or improvement to the natural resources and

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water quality of Florida's gulf coast. Please review information on the website for more information on each of the funding streams.

 Cycle: varies by funding stream. NFWF typically on an annual funding cycle, NRDA typically on a 2 to 3 year funding cycle, and RESTORE Funded Priorities list is on a 3 to 5 year funding cycle. However, projects ideas may be submitted at any time for funding consideration for any of the funding streams.

· Contacts:

- Phil Coram, FDEP Program Administrator, 850.245.2167, phil.coram@dep.state.fl.us.
- Gareth Leonard, FWC Gulf Restoration Coordinator, 850.617.9452, Gareth.Leonard@ MyFWC.com
- Website: https://floridadep.gov/wra/deepwaterhorizon

FDEP 319 Grant

Source Description: The Section 319(h) Nonpoint Source Grant funds can be used to implement projects or programs that will help to reduce nonpoint sources of pollution. Projects or programs must be conducted within the state's non-point source (NPS) priority watersheds, which are the state's SWIM watersheds and National Estuary Program waters. Nonpoint sources include stormwater runoff from urban surface areas and agricultural operations, failing septic tanks, and erosion. Grant funds become available approximately 18 months after the application deadline and projects are expected to be complete approximately 3 years after funds become available.

- Source Agency: FDEP.
- **Source Type:** Grant with at least a 40-percent nonfederal match.
- **\$ Amounts:** Funded annually through the Federal Clean Water Act, Florida receives approximately \$5 to \$6 million.
- Eligibility: State agencies, local government, state universities and colleges, water management districts.
- Cycle: Annual as identified through FDEP.
- Contact: Kate Merchant, 850.245.2952, Kathryn.Merchant@dep.state.fl.us

 Website: https://floridadep.gov/wra/319-tmdlfund

State Appropriations

State appropriations are also opportunities for funding septic to sewer projects. In Florida, in accordance with Section 216.052, Florida Statutes, a local, county or regional government entity, private organization, or nonprofit organization may submit a funding request for a state appropriation to members of the Legislature for and initiative that is local or regional in scope, is intended to meet a documented need, addresses and statewide interest, is intended to produce measurable results, and has tangible community results. You are encouraged to contact your state representative or senator for more information.