

## Barton & Loguidice, D.P.C.

**Memo To:** Constantia Town Board

**Date:** April 16, 2024

**From:** Dustin Clark | Dave Powers

**Project No.:** 221.005.003

**Subject:** Board Update

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### Constantia North Shore Sewer Project

#### A. Design Progress

- Design paused in early 2023 due to project affordability. Design currently at approximately 60% complete.
- **Project cost estimates, O&M and SLA, and plan of finance were reviewed and updated in PER/MPR Addendum No. 4 to facilitate Enhanced WIIA grant pursuit efforts.**

#### B. Current Funding

- **Project Cost (April 2024 Update) - \$72,000,000**
- Project Funding:
  - ✓ NYSEFC 2019 WIIA Grant - \$5M
  - ✓ NYSEFC Hardship Loan - \$25M
  - ✓ NYSDEC WQIP Grant - \$4.6M
  - ✓ USDA RD Grant - \$3.015M
  - ✓ USDA RD Loan - \$11M
  - ✓ US Congressional Grant - \$1.75M
- Affordability gap remains. The current user cost with no additional grant > \$1,600/year.
- Approximately \$23M in additional grant is needed to bring user cost back to below \$1,000/year.

#### C. New Funding Opportunities

- NBRC grant – Previously submitted Grant applications unsuccessful.
  - ✓ **Pre-application submitted on 3/22. Town was asked to submit full application.**
    - **Full applications due on May 3, 2024 at 5:00PM.**
    - **Resolution is required to submit application, to be passed tonight.**
- NYSEFC WIIA – Under new WIIA guidelines, project could be eligible for up to 25% of net project costs (project cost less any non-EFC grants) up to \$25M.
  - Current grant would have to be “collapsed” in order to be eligible.
  - Town would have to take out a Bond Anticipation Note (BAN) to pay-back the ~\$2.5M in project costs that have been covered by the current WIIA and reapply by June 14<sup>th</sup>.
- NYSEFC Enhanced WIIA – Eligible communities<sup>1</sup> can receive up to 50% of net project costs up to \$25M!

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<sup>1</sup>Eligibility for enhanced WIIA is <3,500 population, and either hardship criteria is met or user charge exceeds 1.5% of Median Household Income. Per 2019 Income Survey, the service area Median Household Income (MHI) is \$46,750. 1.5% of MHI is \$701.25.

#### D. Next Steps

- 3/19 – REGULAR BOARD MEETING:
  - ✓ Resolution authorizing to close current EFC financing, to return current WIIA grant funding and reapply for an enhanced WIIA grant for the town of Constantia sewer district no. 1
- 4/2 – SUPERVISORS MEETING:
  - ✓ No action scheduled can be used if needed
- **4/16 – REGULAR BOARD MEETING:**
  - **Schedule public hearing for May regular meeting to increase maximum amount to be expended**
  - **Pass NBRC Funding Application Resolution**
- 5/7 – SUPERVISORS MEETING:
  - No action scheduled can be used if needed
- 5/21 – REGULAR BOARD MEETING:
  - Hold Public Hearing
  - Pass District Formation Amendment subject to comptroller approval
  - Pass ersatz bond resolution with borrowing subject to comptroller approval, and by default secure grant (no approval will be given from OSC without WIIA grant secured)
- 6/14 – IUP Listing and WIIA Grant Deadline:
  - B&L to submit WIIA grant application with revised report, formation and bond resolution documents

#### **Sewer Project Summary (April 2024 Update):**

**The Northshore Sewer Project has been awarded over \$50M in State and Federal grants and low interest loans to date. The estimated project cost however has escalated from \$39M in 2018 to over \$72M as most recently estimated in April 2024. The lack of funding has created a significant affordability gap that the Town has attempted to close with several grant applications over recent years to various state and federal funding agencies. NYS has significantly bolstered funding programs to account for inflation however in order to qualify for these bolstered programs, the Town will have to “collapse” the existing grant and loan funding. NYS has provided guidance on how to collapse the existing funding and apply under new grant thresholds in 2024! This is exciting news for the project and provides a very attainable path towards delivering the project affordably to the Sewer District residents.**

**With this new plan, the Town will apply for financing throughout this year. Should the project be successful in the 2024 grant cycle, the Town could re-start design in 2025 and start construction as early as 2026. Announcements for funding recipients is expected around the end of 2024.**