Consolidation Initiative

Blake Fogleman, PE
Infrastructure Engineer
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Louisiana Department of Health
Bureau of Engineering

- Safe Drinking Water
  - Total of 94 staff
    - Engineers, sanitarians, support staff
  - Emergency Response
    - Hurricanes and Winter Storms
    - COVID – Continuity of Operations
- Community Sewerage Program
- Operator Certification Program
- Drinking Water Revolving Loan Fund
Infrastructure Engineer

• The position was created in 2019 in response to a 2017 water system emergency in rural Louisiana.

• Technical Assistance – “Free Support”
  • Engineering – Infrastructure assessments, cost estimates, etc.
  • Operational – Troubleshooting, compliance issues, data review, etc.
  • Managerial/Administrative/Financial – Decision making, options/information

• TMF Capacity Development – Short term and long term planning
• LDH appointment to the state Rural Water Infrastructure Committee (RWIC)
• Emergency Response – Field operations
• Water Sector Program – Federal ARPA
• Bipartisan Infrastructure Law
Rural Water Systems in Louisiana

- 958 community water systems in Louisiana
- ~878 (92%) of state community systems are rural
  - 706 of these systems are less than 3,300 pop.
  - Often less resilient to natural disasters
  - More difficulty adjusting to regulatory changes
  - Struggle to fund infrastructure maintenance and replacement due to poor economies of scale and lack of staff
- 58% 50+ years old, creating potential for breakdowns and need of repair
Important Definitions

Consolidation: con·sol·i·da·tion | \ ˌkən-səl-ə-də-ˈʃən \\
the process of uniting: the quality or state of being united
Synonyms: combining, merger, merging, union

Partnership: part·ner·ship | \ ˌpärt-nər-ˌship \\
a relationship resembling a legal partnership and usually involving close cooperation
between parties having specified and joint rights and responsibilities
Synonyms: alliance, collaboration, cooperation, union

Sustainable: sus·tain·able | \ ˈsə-stā-nə-bəl \\
of, relating to, or being a method of harvesting or using a resource so that the resource is not depleted or permanently damaged
Synonyms: defendable, defensible, justifiable, maintainable, supportable, tenable

Resilient: re·sil·ient | \ ˈri-zil-ənt \\
capable of withstanding shock without permanent deformation or rupture or tending to recover from or adjust easily to misfortune or change
Synonyms: bouncy, elastic, flexible, rubberlike, rubbery, springy, stretch, stretchable, stretchy, supple, whippy
LDH Funding Opportunities

LDH DWRLF
- Loan Program
  - 2.45% interest rate
  - 20-30 year term
- AO Initiative
  - 30% Principle forgiveness up to $200,000 for systems
- BIL
  - General Supplemental
    - 49% PF up to $3,000,000
  - Emerging Contaminants
  - LSLR
    - 0% interest rate on loans

Consolidation Initiative
- Water System under an AO merges with neighboring system
- Full consolidation – TMF
  - 100% Loan Forgiveness
    - 2019 - $4 million
    - 2020 - $7 million
    - 2021 - $5 million
    - 2022 - $5.1 million
    - 2023 – est. $5 million
Funding Collaboration

- DRA – Delta Regional Authority
- LDEQ – Louisiana Department of Environmental Quality
  - CWSRF – Clean Water State Revolving Fund
  - BIL
- LCDBG – Louisiana Community Development Block Grant
- LDH – Louisiana Department of Health
  - DWRLF – Drinking Water Revolving Loan Fund
  - Consolidation Initiative / BIL
- USDA – U.S. Department of Agriculture
- USEDA – U.S. Economic Development Administration
- WSP – Water Sector Program
## Consolidation Initiative Projects

<table>
<thead>
<tr>
<th>Water System Partnership</th>
<th>Population</th>
<th>LDH</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabine Parish Water District No. 1</td>
<td>Ajax-Beulah Water Association (Loan closed 8/20/20)</td>
<td>Total: 6,594</td>
<td>$2,295,000</td>
</tr>
<tr>
<td>Blanchard WS</td>
<td>Bel-Di-Gil WS (Loan closed 12/20/20)</td>
<td>960 Total: 14,610</td>
<td>$3,700,000</td>
</tr>
<tr>
<td>Cadenville WS</td>
<td>Robinson Chapel WS (Loan closed 1/20/21)</td>
<td>180 Total: 4,980</td>
<td>$1,460,000</td>
</tr>
<tr>
<td>East Feliciana Rural Water</td>
<td>Town of Clinton (Loan closed 2/9/21)</td>
<td>2,541 Total: 6,003</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Henderson-Nina WS, Inc.</td>
<td>Elm Point Estates, River Ridge LLC, TESI Atchafalaya Acres (Loan closed 4/27/22)</td>
<td>625 Total: 5,170</td>
<td>$8,512,000</td>
</tr>
<tr>
<td>City of Winnfield WS</td>
<td>Hwy 84 West WS (Est. Dec. 2022 closing)</td>
<td>499 Total: 7,558</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>Village of Harrisonburg</td>
<td>Village of Enterprise (Est. Dec. 2022 closing)</td>
<td>570 Total: 1,520</td>
<td>$3,940,000</td>
</tr>
<tr>
<td>Sabine WWD #1</td>
<td>Village of Powhatan (Est. Fall 2023 closing)</td>
<td>499 Total: 7,216</td>
<td>$5,000,000</td>
</tr>
<tr>
<td><strong>8 Loans</strong></td>
<td><strong>10 Systems</strong></td>
<td><strong>6,327 Total: 53,651</strong></td>
<td><strong>$27,307,000</strong></td>
</tr>
</tbody>
</table>
American Rescue Plan Act (APRA)

- Louisiana – Water Sector Program
  - HB 642 – Act 410 of 2021 Regular Session
    - Created the Water Sector Fund
      - $300,000,000
    - Created the Water Sector Program (WSP)
      - Water sector commission - review applications submitted pursuant to the WSP and recommend for funding to Joint Legislative Committee on the Budget (JLCB).
      - DOA, OCD and facility planning - administer program with LDEQ and LDH.
  - 2022 Regular Session
    - Allocated an additional $450,000,000 to the WSP.
Water Sector Program Process

- Oversight
  - Water Sector Commission – 10 members: 5 Senators, 5 Representatives

- Working Group
  - Department of Administration – Administrative and Liaison to Commission
  - LDH – Drinking water technical review
  - LDEQ – Sewer technical review

- Key Program Aspects
  - 75% grant / 25% match with ability for Commission to waive match (distressed, consolidation, etc.)
  - Competitive Application – cost share, readiness, severity, consolidation, resiliency, and sustainability (TMF)
Water Sector Program
Round 1: By the Numbers

- $300M allocated to water and sewer projects through the WSP
- 535 Total projects reviewed – 269 sewer, 266 water
  - Awarded Projects:
    - Sewer – 27 projects totaling $94,700,000
    - Water – 60 projects totaling $179,400,000

Water Projects
- 266 applications reviewed totaling $578,700,000
  - 45 projects with 40 rating for severity – 29 funded
  - 54 projects with AOs – 23 funded (~150-200 AOs statewide)
  - 27 consolidation projects – 23 funded
    - 16 of 23 projects funded developed directly from the LDH Consolidation Initiative efforts.
    - ~$81,000,000 in consolidation applications awarded funding.
    - 31 distressed systems being merged
$450M allocated to water and sewer projects through the WSP

233 Total projects reviewed
  • 140 sewer totaling $406M
  • 193 water totaling $541M

Water Projects

  • 193 applications reviewed totaling $541,000,000
    • 41 projects with 35-40 rating for severity
    • 49 projects with AOs
    • 28 consolidation projects (38 systems being merged)
      • 13 applications directly related to Consolidation Initiative efforts
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