

CITY OF ALLENTOWN

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RESOLUTION

R - 2022

Introduced by the Administration on December 7, 2022

Authorizes the submission of COVID-19 ARPA H2O PA Water Supply, Sanitary Sewer, and Storm Water Projects grant.

Resolved by the Council of the City of Allentown, That

BE IT RESOLVED, that the City of Allentown of Lehigh County hereby requests a COVID-19 ARPA H2O PA Water Supply, Sanitary Sewer and Storm Water Projects grant estimated at \$10,396,080 from the Commonwealth Financing Authority to be used for the City of Allentown Source Reduction Program (SRP/I&I project) Year 1, 2 and 3. DCED Application #9496074.

BE IT FURTHER RESOLVED, that the City does hereby designate Matthew Tuerk, Mayor and Seth O'Neill, Director of Finance as the official(s) to execute all documents and agreements between the City and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

Legislative Template

- What department or bureau is this bill originating from? Where did the initiative for the bill originate?

Office of Compliance, Department of Public Works

- Summary and facts of the bill

A Resolution to request COVID-19 ARPA H2O PA Water Supply, Sanitary Sewer and Storm Water Projects grant in the amount currently estimated to be \$10,396,080 from the Commonwealth Financing Authority to be used for the City of Allentown Source Reduction Program (SRP/I&I project) Year 1, 2 and 3. DCED Application #9496074.

- Purpose – Please include the following in your explanation:
 - a. What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?

The Resolution authorizes submission of COVID-19 ARPA H2O PA Water Supply, Sanitary Sewer and Storm Water Projects grant and designates Matthew Tuerk, Mayor and Seth O'Neill, Director of Finance as the official(s) to execute all documents and agreements between the City of Allentown and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

- b. What are the benefits of doing this? What are the drawbacks?
 - i. The grant funding will reduce the capital cost recovery expense for city rate payers.
 - ii. The requested funds for the intended project will be used to extend the life of City assets.
 - iii. The project is necessary as the decreased I&I flow to the Wastewater Treatment Plant (WWTP) will provide additional WWTP capacity and City allocation.
 1. Additional capacity encourages development and job growth, providing a larger tax base.
 2. Keep City flows below allocation will prevent additional costs to City ratepayers.
 3. Avoid triggering the Special Protection Waters (SPW) requirements of the Delaware River Basin Commission (DRBC) to the greatest extent possible. This would incur costs over and above regular WWTP expansion costs.
 - iv. Reduced chance of regulatory actions (NOV and Consent Orders) by limiting the potential of hydraulic overload, headwork bypasses, and sanitary sewer overflows.
 - v. There are no drawbacks
- c. How does this bill relate to the City's vision/mission/priorities?

This resolution relates to the City's priorities as it's authorization and subsequent grant submission is in line with the City's intention's to be a responsible steward of citizen taxpayer dollars and to engage in the investment in resilient infrastructure.

"Through innovative stormwater management and green infrastructure, the city is working to reduce the impacts of flooding and prepare the city for a greener and more resilient future" (Allentown Vision 2030 - Chapter 5 – Living Systems, *City as a Steward*, page 161)

"Allentown is a responsible steward of its citizens' tax dollars, investing in projects that generate a return on investment through decreased social costs (e.g. health) and increased tax revenue from a more efficient use of land." (Allentown Vision 2030 - Chapter 1 – Allentown for All, *City as a Steward*, page 10)

- Financial Impact – Please include the following in your explanation:
 - a. Lehigh County Authority (LCA) will fund the required financial match to the proposed grant.
 - b. Benefits (initial and ongoing)
 - i. Funding request is to provide for 1-3 years of a 10-year source reduction plan
 - 1. The grant funding will reduce the capital cost recovery expense for city rate payers.
 - ii. The project is necessary as the decreased I&I flow to the WWTP will:
 - 1. Additional capacity encourages development and job growth, providing a larger tax base.
 - 2. Keep City flows below allocation will prevent additional costs to City ratepayers.
 - iii. Regulatory
 - 1. Reduces legal expenses relating to permit issues (NOV and Consent Orders).
 - 2. Avoid triggering the Special Protection Waters (SPW) requirements of the Delaware River Basin Commission (DRBC) to the greatest extent possible. This would incur costs over and above regular WWTP expansion costs.
 - 3. Provides funding for required ACT 537 planned projects reducing City ratepayer costs.
- Funding Sources – Please include the following in your explanation:
 - a. If transferring funds, please make sure to give specific account names and numbers. If appropriating funds from a grant, please list the agency awarding the grant.

The funding agency awarding the grant is the Commonwealth Financing Authority under the Department of Community and Economic Development (DECD). LCA will provide required match estimated to be approximately \$5,198,040.

- Priority status – Are there any deadlines to be aware of?

We would need the resolution to be introduced and passed at the December 7th meeting. The DCED H2OPA grant application which requires the resolution is due December 21, 2022.

- Why should Council unanimously support this bill?

The delivery of this grant will ultimately save ratepayer money, support maintenance and longevity of infrastructure, and assist in compliance with federal and state mandates.