

Money for Municipal Authorities

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Municipal authorities have exciting new projects that will reduce costs to customers, improve safety, and protect the environment. But these capital projects take money. Where can municipal authorities find the funds to take on these big capital improvements without raising rates? Grants! **Projects that are eligible for grants are everything from stormwater management projects, sludge dryers, and green infrastructure to cybersecurity enhancements and training programs.**

Authorities can review and apply for grants offered by various state agencies including the Department of Environmental Protection (DEP), the Department of Community and Economic Development (DCED), the Commonwealth Financing Authority (CFA), an independent agency of DCED charged with administering Pennsylvania's economic stimulus packages. Grants offered by the DCED and CFA include the Local Share Account (Statewide) grant, the Business in Our Sites grant, the Community Development Block Grant, and more.

Low-Cost Loans

In addition to grants, there are low-cost loans available to authorities to fund capital projects. Historically low interest rates have led some authorities to ignore low-cost loans as an option, but with recent federal reserve interest rate increases, loans are becoming more attractive.

One such loan source is the Pennsylvania Infrastructure Investment Authority (PENNVEST). PENNVEST offers low-cost financial assistance for sewer, stormwater,

and drinking water projects throughout the Commonwealth. During fiscal year 2022-

2023, PENNVEST funded 85 projects with a total of \$956,370,826 being provided to these projects. Of these projects, 42 were water projects (\$517,559,832), 31 were sewer projects (\$416,071,057), seven were stormwater (\$19,310,983), and five were non-point source projects (\$3,428,954). One funding program offered by PENNVEST is the Clean Water State Revolving Fund (CWSRF), which offers low-

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interest loans with flexible terms and principal forgiveness funds to finance wastewater and other projects throughout the Commonwealth for the construction, improvement, extension, expansion, repair, or rehabilitation of wastewater collection, treatment, or disposal facilities. PENNVEST also administers the Drinking Water State Revolving Fund (DWSRF), which offers low-



interest loans to assist a variety of borrowers for the construction, expansion, and maintenance of drinking water facilities, and to make improvements and upgrades to water quality systems.

Some examples of municipal authorities receiving funding under these programs are Bethlehem Township Municipal Authority receiving a \$4,354,000 loan under the CWSRF to construct a new storm sewer system, Northwestern Chester County Municipal Authority receiving a \$12,600,000 loan under the CWSRF to make system upgrades for improved nitrification and aeration and to replace equipment approaching end of life, Ebensburg Municipal Authority receiving a \$2,983,725 grant and \$4,922,366 loan under the DWSRF to replace 23,200 feet of aged, cast iron pipe.

For capital projects that reduce an authority's carbon footprint or make improvements to the environment, grants are available through DEP and the Department of Conservation and Natural Resources (DCNR). DEP grants are tailored toward projects that improve or protect the water, land, and air in Pennsylvania. Examples of DEP grants include the Alternative Fuel Incentive Grant (\$5 million annually), Section 319 Nonpoint Source Management Grants (\$4.5 million - \$5 million

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The 2024 Salary and Benefits Survey results are now available!

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- Statewide benefits results
- Statewide salary results
- Regional salary results
- Additional position salaries

Authorities received the results complimentary for their participation.

Non-participants can order a copy of the results for a fee of \$150.

For additional information, contact Mike Gruschow at gruschow@municipalauthorities.org

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annually), and the Growing Greener Watershed Protection and Restoration Grants (average award of \$235,000). DCNR grants are tailored toward assisting with projects related to parks, recreation, and conservation. Grants for recreation and conservation open in January and close in April each year. Examples of DCNR grants include Community Parks and Recreation Grants, Land Acquisition Grants, Trail Grants, and Partnership Grants. Interestingly, many capital projects may qualify for DCNR grants if land excavation is incurred or public access is granted to the property.

Federal Grants

Finally, federal grants offered by various federal agencies are another viable option for authorities to receive funding for capital projects. Although grants from the Pennsylvania agencies I previously mentioned are more readily accessible, there are numerous federal grants for which authorities can apply. The key benefit of federal grants over state grants is that there are often more federal grants available than state grants. However, before applying for a federal grant, ensure the project meets the eligibility criteria.

It is important for municipal authorities or their counsel to check agency websites for grant opportunities and to reach out to agency contacts regarding any questions or the timing of certain grants. Seeking out attorneys who are experienced with the application process for many grant programs offered in the Commonwealth ensures that regulatory compliance will be addressed in any grant application. Attorneys are an excellent resource that can assist with identifying the wappropriate grants, gathering the information, drafting applications, and assisting municipal authorities in navigating the application process. 💧

