

Hamilton County
ARPA Recovery Plan Performance Report
(as of June 30, 2022)
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GENERAL OVERVIEW

Executive Summary

Hamilton County has been awarded an allocation of **\$71,441,616** in State and Local Fiscal Recovery Funds from the American Rescue Plan Act signed into law on March 11, 2021. The County received \$35,720,808 of the funds in May 2021 and \$35,720,808 in May 2022. As of June 30, 2022, we (Hamilton County) have expenditures of \$3,464,211 and have allocated an additional by resolution \$28,836,663 of our funds. As part of our budget process for fiscal year 2023 and in the following months, we have defined and finalized our vision for the best and most optimal uses of these funds to appropriately respond to and recover from the effects of the COVID-19 pandemic. Plans for the final determination and approval of these funds will be voted on by the County Legislative Body during July and August 2022. Expenditures and allocations reflect our continued focus to address critical needs relating to various public health issues that have become even more evident during the course of the pandemic; funding critical infrastructure needs related to sewer, water and broadband; funding certain other critical capital needs; and addressing needs in communities in the County that were most impacted by the pandemic in accordance with the ARPA revenue loss guidelines.

Uses of Funds

Public Health

First responders of our Emergency Management division and EMS ambulance service have been especially stressed throughout the pandemic. During this time, we have assessed the equipment used on our ambulances and have found significant needs. Identified uses for the ARPA funds include expenditures of \$3,325,173 to equip our ambulances with much needed emergency medical response equipment improvements. This was considered essential equipment needed by our EMS department to address the ongoing pandemic, including power lift stretcher systems, Lifepak cardiac monitor/defibrillators and related lifesaving equipment.

Water, Sewer and Broadband

Water and sewer infrastructure is a critical need in most communities, as sewer and septic systems have aged. As of June 30, 2022, the County Legislative Body has voted to allocate \$28,181,046 of the ARPA funds to provide for needed improvements to our water and sewer infrastructure system which is managed and operated by the Hamilton County Water and Wastewater Treatment Authority (WWTA). Approximately \$3 million of the approved funds will be used as matching funds for a non-competitive grant allocated to the County by the State of Tennessee through the Tennessee Department of Environment and Conservation (TDEC). The County Legislative Body voted in July 2022 for an additional allocation of \$11 million to go to the Hamilton County WWTA which includes \$1 million in order to collaborate with other municipalities within the County to use their TDEC allocation for water and sewer projects within the boundaries of the related municipality. The State of Tennessee views water and sewer infrastructure to be a critical need across our state. The primary focus of these allocated ARPA funds will be to improve and repair existing wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.

Broadband is also a critical need in a few pockets of our community. High-speed internet access has evolved to the point that it is essential to educational success for all ages, access to a complete set of resources for job seeking opportunities, and remote workforce opportunities. While most of our County currently has access to high-speed internet, there are certain underserved populations in our County that do not. The ARPA funding provides a much-needed opportunity to expand access of high-speed internet to help bring a level of equity to certain underserved and economically disadvantaged communities in the County. The County Legislative Body voted during the period covered by this plan to allocate \$655,617 to be used as matching funds of approximately \$6 million from the State of Tennessee through the Tennessee Department of Economic and Community Development (TNECD). These grant requests were made by Volunteer Energy Cooperative and Bledsoe Telephone Cooperative as the eligible providers for the related areas. In July 2022, we found that TNECD did not award funds to the Hamilton County areas in the first group of grants so these projects are on hold with hopes that they will receive funding in later allocations.

Revenue Replacement

We have elected to calculate our actual revenue loss using the formula articulated in the final rule based on our fiscal year end using audited financial results. Revenue Replacement calculations are \$25,319,000 for fiscal year 2020 and \$37,931,000 fiscal year 2021. We will continue to calculate the County's revenue loss resulting from the pandemic over the next two fiscal years and estimate that the results will be consistent with fiscal years 2020 and 2021.

The County's intention is to spend a portion of the ARPA funds assigned toward revenue replacement for one time capital projects and for other essential general government services.

Promoting Equitable Outcomes

As of June 30, 2022, the County has made significant plans to spend, allocate and finalize plans to determine the optimal and best use of the ARPA funds. These plans will be finalized and the remaining unspent ARPA funds will be allocated by the County Legislative Body during July and August 2022. These plans include various projects that focus on promoting better equitable outcomes within our community. These projects are considered general government services and will be categorized as revenue replacement on the County's Project and Expenditure reports.

As stated above, we were anticipating using the ARPA monies to match grants from the State of Tennessee to expand high-speed internet access in several of the underserved and economically disadvantaged communities within the County. The ultimate goal of this investment was the elimination of one more barrier in the poorer sections of the County to increase economic growth and sustained economic development. These plans are currently on hold as initial grants for our County were not approved.

Similarly, certain investments that we will be making in our wastewater treatment system will focus significantly on improving the safety and quality of life in several of the underserved and economically disadvantaged areas in the County. These investments in HUD Qualified Census Tract zones will include areas of Soddy Daisy, East Ridge and Red Bank.

Planned allocations for future reporting periods will include significant allocations of amounts classified as Replacement Revenue Expenditure Category 6.1. These allocations will include government services

which will promote equitable outcomes to disadvantaged and underserved members of Hamilton County. This will include public school capital and educational programming projects; public park upgrades and improvements; workforce training and development efforts; programs to reach disadvantaged and at-risk youth; and programs to reach individuals suffering from addiction and homelessness.

Community Engagement

Community engagement will be an ongoing process. County leadership has requested input from all County departments for areas of concern and projects that are eligible for funding under the ARPA guidelines. The County Mayor and the County commissioners have addressed the plans for spending the ARPA monies with constituents over the last year in order to gauge the opinion of the public for the optimal use of the ARPA funds. In addition, several organizations have made presentations at the public meetings held by the County Legislative Body.

All planned expenditures of the ARPA monies will be discussed in a public forum by the Mayor, with a public vote by the County Legislative Body authorizing each expenditure of the ARPA funds.

Labor Practices

As discussed above, the County has developed plans to allocate funds to projects for water, sewer and broadband in Expenditure Category EC5.

Both the wastewater and broadband projects will meet the requirements of the ARPA guidelines. This criteria requires projects to use strong labor standards, including project labor agreements that offer wages at or above the prevailing rate and including local hire provisions. In addition, the bidding process and construction of the projects must include good faith efforts to promote participation of Disadvantaged Business Enterprises, to adhere to “Buy American Iron and Steel” provisions, and to require Davis Bacon Act wages with documentation and review.

Use of Evidence

The ARPA Federal guidelines identify several types of uses of the ARPA funds that require evidence-based assessments. Based on our revenue replacement calculations for fiscal years 2020 and 2021 and projections of the calculations for the remaining years, we believe that the majority of our allocation will qualify for revenue replacement. Our current plans as of this date do not include the type of expenditures listed in the Federal guidelines that are eligible for evidence-based interventions.

This section will be revised as necessary as we finalize our use of the ARPA funds.

Performance Report

Similar to the explanation in the “Use of Evidence” section, our current plans as of this date do not include the type of expenditures listed in the Federal guidelines for which these measures apply. Based on our revenue replacement calculations for fiscal years 2020 and 2021 and projections of the calculations for the remaining years, we believe that the majority of our allocation will qualify for revenue replacement.

However, the County's goal is to continue to make a significant positive impact on all residents with the substantial amount of funding provided by American Rescue Plan Act.

PROJECT INVENTORY

The following projects were completed, in progress or approved for allocations by the County Legislative Body as of June 30, 2022.

Project 1: Emergency Management Services Ambulance Equipment Upgrade

Funding Amount: \$3,325,173

Project Expenditure Category: 6.1-Revenue Replacement: Provision of Government Services

Project Overview: Upgrade and equip all ambulances to include power lift stretcher systems and LIFEPAK cardiac monitor/defibrillators with related lifesaving equipment.

Use of Evidence: Not applicable to this Expenditure Category

Project 2: Portable Morgue

Funding Amount: \$39,038

Project Expenditure Category: 6.1-Revenue Replacement: Provision of Government Services

Project Overview: Purchase of 8' x 40' x 9'6" insulated cargo container with refrigeration unit to be used by the Medical Examiner's office for a portable morgue.

Use of Evidence: Not applicable to this Expenditure Category

Project 3: The Light House Collective Initiative

Funding Amount: \$100,000

Project Expenditure Category: 6.1-Revenue Replacement: Provision of Government Services

Project Overview: This project is to fund programs to provide mentoring and life-skills training to at risk youth and young adults within the City of Chattanooga and its surrounding areas.

Use of Evidence: Not applicable to this Expenditure Category

Project BB1: Broadband Expansion Georgetown/Hopewell

Funding Amount: \$615,617

Project Expenditure Category: 5.19-Infrastructure: Broadband: 'Last Mile' Projects

Project Overview: This is for matching funds for a grant request by Volunteer Energy Cooperative to the State of Tennessee to expand broadband service into the Georgetown and Hopewell areas of Hamilton County.

Use of Evidence: Not applicable to this Expenditure Category

Project BB2: Broadband Expansion Sale Creek

Funding Amount: \$40,000

Project Expenditure Category: 5.19-Infrastructure: Broadband: ‘Last Mile’ Projects

Project Overview: This is for matching funds for a grant request by Bledsoe Telephone Cooperative to the State of Tennessee to expand broadband service into the Sale Creek area of Hamilton County.

Use of Evidence: Not applicable to this Expenditure Category

Project WWT A1: TDEC Wastewater Grant Matching Funds

Funding Amount: \$3,181,046

Project Expenditure Category: 5.2-Infrastructure: Clean Water: Centralized Wastewater Collection and Conveyance

Project Overview: This is for matching funds for a non-competitive grant allocated to Hamilton County by Tennessee Department of Environment and Conservation (TDEC). The County has agreed to request this allocation be used for sewer infrastructure projects managed by the Hamilton County Water and Wastewater Authority and will provide the required matching funds. TDEC will have the final approval of which WWT A projects are selected.

Use of Evidence: Not applicable to this Expenditure Category

Project WWT A2: Soddy Daisy 2,3,4 Wastewater Rehabilitation

Funding Amount: \$4,000,000

Project Expenditure Category: 5.2-Infrastructure: Clean Water: Centralized Wastewater Collection and Conveyance

Project Overview: Funding to Hamilton County Water and Wastewater Treatment Authority for phase 1 of a project in the Soddy Daisy area of the County to reduce inflow and infiltration of storm water to reduce overflows in an area under moratorium and reduce wastewater treatment costs.

Use of Evidence: Not applicable to this Expenditure Category

Project WWT A3: Soddy Daisy Equalization Facility

Funding Amount: \$6,000,000

Project Expenditure Category: 5-Infrastructure

Project Overview: Funding to Hamilton County Water and Wastewater Treatment Authority for construction of an up to 2 million gallon wet-weather wastewater storage tank in Soddy Industrial Park to regulate flows during heavy rain events in an area under moratorium.

Use of Evidence: Not applicable to this Expenditure Category

Project WWT4: Hurricane Creek/Rhinehart Valley Pump Station Upgrades and Basin Rehabilitation

Funding Amount: \$3,000,000

Project Expenditure Category: 5-Infrastructure

Project Overview: Funding to Hamilton County Water and Wastewater Treatment Authority for pump station upgrades and existing system rehabilitation. This project includes trenchless pipeline repairs, open-cut replacement, and manhole rehabilitation to increase reliability and reduce inflow and infiltration issues.

Use of Evidence: Not applicable to this Expenditure Category

Project WWT5: Middle Sewer Interceptor Rehabilitation

Funding Amount: \$3,000,000

Project Expenditure Category: 5-Infrastructure

Project Overview: Funding to Hamilton County Water and Wastewater Treatment Authority for a project to make trenchless pipeline repairs, open-cut replacement, and manhole rehabilitation to increase reliability and reduce inflow and infiltration issues.

Use of Evidence: Not applicable to this Expenditure Category

Project WWT6: Signal Mountain Treatment/Collection System Rehabilitation

Funding Amount: \$9,000,000

Project Expenditure Category: 5-Infrastructure

Project Overview: Funding to Hamilton County Water and Wastewater Treatment Authority for a multi-phased project that will rehabilitate portions of the Signal Mountain gravity collection system via open-cut and trenchless technology. Portions of the system will be converted to low pressure grinder systems where practical. Treatment plant upgrades will be performed to add additional plant reliability and capacity.

Use of Evidence: Not applicable to this Expenditure Category