



**Water Boards**

STATE WATER RESOURCES CONTROL BOARD  
REGIONAL WATER QUALITY CONTROL BOARDS

# **Finding Funding: Keeping IRWM alive**

IRWM Conference

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# GRANTS? LOANS?

Well it depends on what pocket you want to pick. But it really is the same pair of pants...

# Grant vs. Loan

## Bond

- Convince legislature to draft a proposition that has funding for projects like yours
- Convince voters to pass a statewide proposition
- Compete for the funding
- Get a grant that knocks off 10 to 20% of your costs

## Loan

- Apply to State Revolving Fund program
- Get through the application process
- Begin your project
- Save 25% on your financing costs

# Grant vs. Loan

## Grant

- Voters agree to tax themselves – but for a vague concept of what for
- State sells bonds, pledges general revenues of the state to repay
- Bond funds are turned into grants
- State pays \$2 back for every \$1 borrowed
- Many voters get no direct benefit

## Loan

- Users agree to include enough in their usage charges to include debt
- Enter into loan agreement or other debt instrument
- Funds used to construct project
- With SRF loan pay back \$1.25 to \$1.45
- Users all get a direct benefit

# WHY PLAY THE LOTTERY?

They don't keep the lights on in Vegas by giving away money!

# THERE IS NO “I” IN REGIONAL

Think beyond your boundaries.  
Think like a citizen of the region.

Covet thy neighbors wastewater.

Join together to share a resource.

# Infrastructure Needs

- Safe Drinking Water needs survey showed CA's total need at \$39 billion in the next 20 years.
  - Transmission and distribution systems \$23 billion
  - Source water development \$2.5 billion
  - Treatment \$7.5 billion
  - Storage \$5.7 billion

# Infrastructure Needs

- Clean Watersheds Needs survey, done in 2008, documented a funding need of approximately \$30 billion.
  - Wastewater \$26 billion
  - Stormwater \$3.8 billion
  - Non-Point Source \$106 million



# THE MATH

$\$30 \text{ billion} + \$39 \text{ billion} = \$69 \text{ billion}$

$\$7 \text{ billion} / \$69 \text{ billion} = 10\%$

Your not going to proposition your way  
out this fix!

# PROPOSITION 1

## WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014 (ASSEMBLY BILL 1471, RENDON)

- Authorized \$7.545 billion in general obligation bonds for water projects
- The State Water Resources Control Board (State Water Board) will administer five programs (\$2.145 billion):
  - Wastewater
  - Water Recycling
  - Drinking Water
  - Stormwater
  - Groundwater



# PROPOSITION 1

## FUNDING GUIDELINES

- Section 79706 requires creation of funding guidelines
  - Three public meetings through the state
    - Public meetings for Small Community Wastewater and Recycled Water completed
    - Public workshops for Drinking Water:
      - June 25<sup>th</sup> Fresno
      - June 29<sup>th</sup> Riverside
      - Early July Sacramento
    - Stormwater and groundwater in Winter/Spring 2016
  - Draft guidelines posted on internet at least 30 days prior
    - See our Prop 1 webpage for the email list that you should sign up for to get notice of availability.

# **SMALL COMMUNITY WASTEWATER PROPOSITION 1, CHAPTER 5, SECTION 79723**

- \$260 million to the Clean Water State Revolving Fund (CWSRF) Small Community Grant (SCG) Fund
- Drought bill (AB 91) appropriated \$65 million which will be available upon adoption of Guidelines
- State Water Board's Division of Financial Assistance (Division) is proposing to use existing procedures for administering these grant funds

# SMALL COMMUNITY WASTEWATER PROPOSED PROCESS

- Utilize the CWSRF application and approval process, as described in the CWSRF Policy and CWSRF Intended Use Plan (IUP)
- Simplifies the funding process and allows grants to be easily combined with low-interest financing available through the CWSRF Program
- Applications accepted continuously
- Eligible projects are funded in the order applications are completed and approved

# SMALL COMMUNITY WASTEWATER ELIGIBILITY AND FUNDING MAXIMUMS

- Planning Projects
  - Wastewater planning activities, such as:
    - Feasibility/engineering studies
    - Environmental studies
    - Rate studies
  - Any small DAC (regardless of wastewater rates) may receive 100% of eligible planning costs as a grant, not to exceed \$500,000
  - Planning grant disbursements will reduce the maximum construction grant amount accordingly

# SMALL COMMUNITY WASTEWATER ELIGIBILITY AND FUNDING MAXIMUMS

- Construction Grants
  - Maximum grant amount may increase to \$8 million for projects that either:
    - Connect previously unsewered areas
    - Regionalize wastewater treatment works,
    - Reduce or prevent contamination of drinking water supplies

# WATER RECYCLING FUNDING PROGRAM PROPOSITION 1, CHAPTER 9

- \$625 million available for grants and loans
- Funding for planning studies and construction projects
- To promote use of treated municipal wastewater to augment or offset state/local water supplies:
  - Recycled water treatment,
  - Recycled water distribution, and
  - Groundwater recharge/reclamation/reuse
- AB 91 appropriated \$129 million



# DRINKING WATER FUNDING PROGRAM PROPOSITION 1, CHAPTER 5

- \$260 million available for grants and loans
- Funding for planning studies and construction projects
- Public Water System infrastructure improvements and related actions to meet safe drinking water standards
- Ensure affordable drinking water
- Up to \$5 million grant per project
- Up to \$20 million grant per regional project that benefits at least one small DAC
- AB 91 appropriated \$67.5 million

# Proposition 1

## Stormwater Grant Program

- Allocates \$200 million for grants for multi-benefit stormwater management projects
- Eligible projects - green infrastructure, rainwater and stormwater capture projects, and stormwater treatment facilities.
- Up to 10% for Planning and Monitoring necessary for successful design, selection and implementation

# GROUNDWATER FUNDING PROGRAMS

## Grants

- Proposition 1 Groundwater Sustainability
- Senate Bill 445 Site Cleanup Subaccount Program

## Loans

- Proposition 1 Groundwater Sustainability  
Grant/Loan split for Prop 1 not established

# Proposition 1 Groundwater Sustainability Program (Assembly Bill 1471, Chapter 10) - \$800 Million

## Eligible Applicants

- Public Agencies, Tribes, Public Utilities, Non-Profits, Mutual Water Companies

## Eligible Projects

- Prevent or Clean up Contamination (natural and anthropogenic) of Groundwater that serves or has served as a source of Drinking Water

## Priorities based on:

- Threat posed by groundwater contamination to drinking water supply
- Potential for groundwater contamination to spread/impair
- Potential of project to enhance local water supply reliability
- Potential of project to recharge vulnerable, high-use basins
- Projects with no viable responsible party(ies)

# Senate Bill 445 Site Cleanup Subaccount \$19.5 Million Anticipated FY 2015/2016

## Funding

- Fee on fuel storage

## Eligible Projects

- Identify source of surface or groundwater contamination
- Remediate harm or threat to human health, safety, and the environment from surface or groundwater contamination

Eligible Applicants: Applicants w/eligible projects

## 5 Considerations:

- Significant Threat to Human Health or the Environment
- Disadvantaged or Small Community Impact
- Cost and Environmental Benefit of Investigation/Cleanup
- Availability of Alternate Funding Source(s)
- Other Board Considerations

# Senate Bill 445 Site Cleanup Subaccount

## Requirements:

- Regulatory agency has issued a directive – unless infeasible prior to grant issuance
- Responsible Party lacks sufficient financial resources to implement required response

## Process Development – 2015/16

- Develop application process
- Public workshops
- Solicitation/Review applications
- Board adopts annual project list
- Issue grant agreements

## Coordinated with Proposition 1

## Groundwater Sustainability

**FAAST**

**FINANCIAL ASSISTANCE**  
APPLICATION SUBMITTAL TOOL

- Online single point application tool
- Taking applications now – continuously accepting applications
- Go to <https://faast.waterboards.ca.gov/> to create a user account





In Memory  
of  
Jack Savage

ENGINE REVOLUTIONS  
INDICATOR

ENGINE REVOLUTIONS INDICATOR

MAIN STEAM  
150 PSI

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