STATE WATER RESOURCES CONTROL BOARD
DIVISION OF FINANCIAL ASSISTANCE

Proposition 1 Update
Informational Item #11

February 22, 2017

Presented By: Julé Rizzardo, P.E., P.H.
Robert Reeves, P.G.
Sean Maguire, P.E.
Jennifer Toney, P.E.
Bridget Chase, P.E.
Dan Newton, P.E.
Meghan Tosney, P.E.
Proposition 1 Background

Assembly Bill 1471, Rendon Authorized
$2.145 Billion to Water Board

- **Groundwater Sustainability**
  - $800 million
- **Stormwater**
  - $200 million
- **Small Community Wastewater**
  - $260 million
- **Drinking Water**
  - $260 million
- **Water Recycling**
  - $625 million
Calendar Year 2016
Proposition 1 Overview

• 123 executed agreements totaling $287 M

• 203 agreements totaling $1.6 Billion (all funding)

• $47 M disbursed
Calendar Year 2016
Proposition 1 Overview

- Implementation timelines vary
- Program synergy
- Integrated Technical Assistance
- Co-Funding / Leveraging Resources
Proposition 1 Groundwater Sustainability

Robert Reeves, P.G., Program Manager
Calendar Year 2016
Groundwater Sustainability

- GWGP Guidelines Adopted – May 2016

- First Round of Pre-Applications – July 29, 2016

- Types of Projects Submitted
  - Groundwater Remediation
  - Well Head Treatment
  - Centralized Treatment
  - Well Abandonment
  - Sea Water Prevention
Calendar Year 2016
Groundwater Sustainability

- Total Pre-Applications: 97
- Pending/Sent Final App Invitations: 30
- Total Apps Referred To DWSRF Program: 11
- In Review or Ineligible: 30

Sent Final Applications
GWGP Eligible DAC
Pending/Sent Final App Invitations
Total Number of Projects: 30 Sites
Total Project Cost: $216 Million

14 Sites Visited with Regulatory Agencies and other Stakeholders
Looking Ahead to 2017
Groundwater Sustainability

- Develop MOU with DTSC – February 2017
- Preliminary Award of Round 1 Projects – Deputy Director – March to April 2017
- Seek set-aside of Implementation Funds for Planning Projects funded in Round 1
- Seek Increase in Planning Funds for some Projects – Over $1 million cap
- Expected Grant Agreements - ($110 million in grant) May to September 2017
- Second Round of Solicitation - October 2017
Successes
Groundwater Sustainability

- Developed Guidelines after significant outreach efforts (Public Workshops, Regulatory Outreach and Key Stakeholder Meetings)

- Developed streamlined Pre-application process for two funding programs (Site Cleanup Subaccount Program & Groundwater Grant Program)

- Performed Site Visits/Meetings to collaborate between applicants, regulatory agencies and other stakeholders/interested parties
## Challenges & Solutions

### Groundwater Sustainability

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solution / Action</th>
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</thead>
<tbody>
<tr>
<td>Coordination between regulatory agencies, applicants and stakeholders</td>
<td>Establish Technical Advisory Committee for each project that includes regulatory agencies. Leverage expertise to develop a project that will address multiple priorities.</td>
</tr>
<tr>
<td>Potential cost recovery / responsible parties</td>
<td>Work with regulatory agencies on cost recovery with responsible parties. Provide funding to applicants to search for responsible parties.</td>
</tr>
<tr>
<td>Few projects are shovel-ready</td>
<td>Planning funds to address data gaps. Phased approach for larger projects.</td>
</tr>
</tbody>
</table>
Proposition 1 Storm Water

Sean Maguire, P.E., Program Manager
2016 Accomplishments
Storm Water

- Planning and Round 1 Implementation Grant Funding Solicitations Completed in 2016

- Awarded $9.6 million in Planning Grants (6/30/16)

- Awarded $105 million in Implementation Grants (12/1/16)
Prop 1 Storm Water Grant Awards
Planning Successes
Stormwater

- 22 Storm Water Resource Plans
- Blend of Plans for Major Urban Areas, Cities, Counties, and IRWM Planning Areas
- Plans will comply with Water Code and Storm Water Resource Plan Guidelines
Implementation Successes

Storm Water

- Projected 25,000 acre-feet storm water and dry weather runoff captured for use, treatment, or infiltrated
- Pollutant load reduction, habitat restoration, flood protection, community space
- Over 50% of implementation directly benefits Disadvantaged Communities
Looking Ahead to 2017

Storm Water

- Work closely with grantees during agreement negotiations and conduct site visits (for larger projects)

- Achieve significant progress on Project Specific Planning Grants and Storm Water Resource Plans

- Provide Storm Water Technical Assistance to Small Disadvantaged Communities

- Coordinate closely with Department of Water Resources – IRWM and other state agencies with storm water funding
# Challenges & Solutions

## Storm Water

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solution / Action</th>
</tr>
</thead>
</table>
| Difficult to competitively evaluate and compare small scale LID projects with regional/rural storm water capture | • Consider 2-step application process  
• Consider awarding projects by type – green infrastructure vs. large scale capture |
| Timing of Round 2 Implementation funding                                 | • Provide time for development of SWRP’s, Round 2 in late 2018                    |
| Demand for implementation funds will be significantly higher in Round 2  | • Explore co-funding projects to meet demand  
• Work with STORMS to provide clear messaging on storm water project financing     |
Proposition 1 Wastewater

Jennifer Toney, P.E., Program Manager
Calendar Year 2016
Small Community Wastewater

Application Status

- Executed Agmts, $32
- Submitted Apps, $83
- Apps in Progress, $87
2016 Projects Executed
Small Community Wastewater

31 Projects Executed

Planning 26
Construction 5

$ Amount Executed in 2016
Planning $10.9
Construction $21.5

Legend
- Planning
- Implementation
- County Boundaries

Map showing 31 projects executed with locations marked, and pie charts showing planning and construction amounts.
Successes
Small Community Wastewater

- 80% of Prop 1 funded projects received agreements in less than 9 months
- 68 Prop 1 SCG Disbursements were processed in 2016
- $26 million of the $32 million executed in 2016 was provided to Projects that serve severely disadvantaged communities
Looking Ahead to 2017
Small Community Wastewater

- $13 million has already been executed in 2017

- Projecting more than $50 million in Prop 1 grant funding executed in 2017

- A significant amount of Planning Projects will be completed in 2017 and 2018 that will need construction funding
<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solution / Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many projects exceed $30,000 or $60,000 per connection cap in Intended Use Plan</td>
<td>Take to Board for Approval, Value Engineering, Co-Funding with other agencies</td>
</tr>
<tr>
<td>Establishing Rates – New Rates or Increase in Wastewater Rates</td>
<td>Rate studies and Prop 218 assistance available through planning grants or TA</td>
</tr>
</tbody>
</table>
Proposition 1 Drinking Water

Bridget Chase, P.E., Program Manager
Calendar Year 2016
Drinking Water

Application Status

- 2016 Executed Agmts: $44
- Submitted Apps: $127
- Apps in Progress: $100
- Total: $260 M
- $223 M

Amount ($ Millions)
Successes
Drinking Water

- 94% of Prop 1 funded projects received agreements in less than 9 months

- $36.4 million was provided to severely DAC (29 agreements)

- 6 Projects were awarded to schools totaling approximately $8.5 million
Looking Ahead to 2017
Drinking Water

- 8 agreements already executed in January 2017, totaling $3,161,575
- 6 agreements ($13.8 million) are out for signature and anticipated to be executed in February
- Projecting approximately $127 million in Prop 1 grant funding executed in 2017
- We have many planning projects scheduled to complete planning in late 2017 that will need construction funding as well as recently executed planning agreements
# Implementation Challenges

## Drinking Water

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solution / Action</th>
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</thead>
<tbody>
<tr>
<td>High cost per connection especially for consolidation projects</td>
<td>• Co-funding with other agencies&lt;br&gt;• Scrutinizing costs and suggesting value&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>engineering&lt;br&gt;• Bringing high cost projects to Board for approval</td>
</tr>
<tr>
<td>High inflow of applications</td>
<td>• Cross-training staff&lt;br&gt;• Assigning a Project Manager only after a complete&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>application is received&lt;br&gt;• Reaching out to applicants to see if they&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>would like technical assistance&lt;br&gt;• Additional resources</td>
</tr>
<tr>
<td>Large amount of planning projects that will need construction funding</td>
<td>• Taking percentage of interest on some DWSRF agreements to put into a grant&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>fund (similar to CWSRF)&lt;br&gt;• Collaborating with other agencies</td>
</tr>
</tbody>
</table>
Proposition 1 Water Recycling

Dan Newton, P.E., Program Manager
Calendar Year 2016
Water Recycling Funding Program

**Application Status**

**GRANT**

- Executed Agmts, $142
- Incomplete Apps., $500
- Complete Apps., $242

**Amount ($ Millions)**

- $312 M

**Application Status**

**LOAN**

- Executed Agrts, $0
- Complete Apps., $113
- Incomplete Apps. in Progress, $1,000

**Amount ($ Millions)**

- $256 M
Calendar Year 2016
Water Recycling Funding Program

Legend
- County Boundaries
- Implementation

Los Angeles County
Looking Ahead to 2017
Water Recycling Funding Program

- Recycled Water Funding is oversubscribed
  - Over $1 Billion in grant requests
  - Over $2 Billion in loan requests

- The 1% financing for recycled water projects the Board offered through the CWSRF is nearly complete.
  - Funding applicants will now select the Prop 1 loans (interest rate=1.7%, up to 30 year term) for their funding portfolio.

- Anticipate encumbering the full appropriated value in the next 12 to 18 months.
## Challenges & Solutions
### Water Recycling Funding Program

<table>
<thead>
<tr>
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<th>Solution / Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff concurrently administering over $1 Billion</td>
<td>Resources to meet high application demand</td>
</tr>
<tr>
<td>Over $3 Billion in funding requests</td>
<td>Resources to meet high application demand</td>
</tr>
</tbody>
</table>
Proposition 1 Technical Assistance

Meghan Tosney, P.E., Program Manager
Calendar Year 2016
Technical Assistance Agreement Status

Drinking Water and Wastewater
- Executed Agmts: $47
- Agmts in Progress: $9
- Max: $74M

Stormwater
- Executed Agmts: $1
- Agmts in Progress: $6
- Max: $1M

Groundwater Quality
- Agmts in Progress: $3
- Executed Agmts: $6
- Max: $10M
Calendar Year 2016
Technical Assistance (TA)
Amount of Total Appropriation Executed ($M)*

* Includes: Drinking Water & Wastewater, Stormwater, and Groundwater Quality TA
Successes
Technical Assistance (TA)

- Completed solicitation for non-profits and universities to provide TA to small disadvantaged communities (DACs)
- Expanded existing TA to provide outreach, legal, engineering, environmental
- Streamlined process to request TA
  - One-page online form
  - Submitted by small DACs, or others on their behalf
  - Staff review and forward to TA providers
Looking Ahead to 2017
Technical Assistance (TA)

- 4 pending agreements with TA providers (11 executed)
- Over 200 Prop 1 TA requests approved to date
- Working with TA providers to develop TA scope for each approved TA request
- Continue to accept new TA requests
Calendar Year 2016
Technical Assistance Funded

Legend
- Stormwater
- Groundwater
- Drinking Water
- County Boundaries

[Map showing locations with different symbols for stormwater, groundwater, and drinking water, with a legend explaining the symbols and a scale for miles.]
## Prop 1
### Technical Assistance Providers

<table>
<thead>
<tr>
<th>Technical Assistance Provider</th>
<th>Funding Amount</th>
<th>Geographical Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drinking Water/Wastewater</strong></td>
<td></td>
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</tr>
<tr>
<td>California Rural Legal Assistance, Inc.</td>
<td>in process</td>
<td>Central Valley</td>
</tr>
<tr>
<td>California Rural Water Association</td>
<td>$13,880,112</td>
<td>Statewide</td>
</tr>
<tr>
<td>Community Water Center</td>
<td>$5,039,939</td>
<td>Tulare Lake Basin</td>
</tr>
<tr>
<td>Environmental Justice Coalition for Water</td>
<td>in process</td>
<td>Salinas Valley, Central Coast</td>
</tr>
<tr>
<td>Leadership Counsel for Justice and Accountability</td>
<td>$816,947</td>
<td>Fresno, Tulare, and Imperial County</td>
</tr>
<tr>
<td>Pueblo Unido Community Development Corporation</td>
<td>$2,292,465</td>
<td>Eastern Coachella Valley</td>
</tr>
<tr>
<td>Rural Community Assistance Corporation</td>
<td>$4,686,878</td>
<td>Statewide</td>
</tr>
<tr>
<td>Self-Help Enterprises</td>
<td>$8,792,436</td>
<td>San Joaquin Valley Counties</td>
</tr>
<tr>
<td>University of California at Davis, School of Law</td>
<td>$1,817,679</td>
<td>Statewide</td>
</tr>
<tr>
<td>University Enterprise Corporation at California State University</td>
<td>$2,331,654</td>
<td>Statewide</td>
</tr>
<tr>
<td>University Enterprises Inc. at California State University,</td>
<td>$7,000,000</td>
<td>Statewide</td>
</tr>
<tr>
<td>Sacramento</td>
<td></td>
<td></td>
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<tr>
<td><strong>Groundwater</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawrence Berkeley National Lab</td>
<td>in process</td>
<td>Statewide</td>
</tr>
<tr>
<td>University Enterprises Inc. at California State University,</td>
<td>$3,000,000</td>
<td>Statewide</td>
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<td></td>
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<tr>
<td>Council for Watershed Health</td>
<td>$1,000,000</td>
<td>Statewide</td>
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</table>
# Challenges & Solutions

## Technical Assistance (TA)

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<tr>
<td>Coordinating the efforts of multiple TA providers to ensure cooperation yet minimize duplication of efforts</td>
<td>• All TA requests coded and tracked in database,&lt;br&gt;• List of approved TA requests and associated TA provider(s) posted online,&lt;br&gt;• Quarterly roundtable meetings with all Prop 1 TA providers</td>
</tr>
<tr>
<td>Coordinating with other programs to support DACs, in particular the Department of Water Resources (DWR) Prop 1 Integrated Regional Water Management (IRWM) DAC Involvement</td>
<td>• Periodic coordination with DWR staff and IRWM representatives to share information,&lt;br&gt;• State Water Board staff involved in review of DAC Involvement proposals</td>
</tr>
<tr>
<td>Flexibility to target the specific needs of each system or community, while maintaining accountability</td>
<td>• Execute 3-year agreement with each provider&lt;br&gt;• Then, for each TA request, negotiate a streamlined community-specific “work plan” outlining TA scope,&lt;br&gt;• Each work plan approved by DFA,&lt;br&gt;• Multiple providers can work together on TA, if necessary to address multiple needs</td>
</tr>
<tr>
<td>Prop 1 funds are being committed quickly and likely will not be sufficient to meet the needs of all systems/communities receiving TA</td>
<td>• Consider and prepare projects for complementary funding sources, where possible</td>
</tr>
</tbody>
</table>
Proposition 1 Program Summary
Proposition 1 Agreements Executed in 2016

Total Funded = $287 M
Total Projects = 123

Legend:
- Construction Projects
- Planning Projects
- Stormwater
- Groundwater
- Drinking Water
- Implementation
- Planning
- ASES
- Planning
- Implementation
- Planning
- Implementation
- County Boundaries
Cumulative Proposition 1
Agreements Executed in 2016

Number of Agreements Executed

Executed Proposition 1 Agreements 2016 vs 2017

Projected

Executed Agreements ($Millions)

Actual

2016 2017

- Stormwater
- Groundwater
- Drinking Water
- Wastewater
- Water Recycling
- Technical Assistance
Proposition 1
Communication Plan

- July 2017 – First semi-annual web update on Prop 1 spending
  - General public, communities, technical assistance providers
  - Pace of spending and demand
  - Coordination with funding partners
Proposition 1 – 2018 and Beyond

- Leverage Partner Agencies & Co-Funding
- Small Community Grant Fund for Drinking Water
- Consolidation & Regionalization
Stay Informed

• Proposition 1 Projects Funded
  http://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/prop1_funding_status_reports.pdf

• Clean Water Application Status Report

• Drinking Water Application Status Report

• Bond Accountability Website
  http://bondaccountability.resources.ca.gov/p1.aspx