

Table 4: Eligibilities and Funding Maximums: SCG and Principal Forgiveness

Table 4a. SCG Fund ⁱ

Eligible Applicants: Public agencies, 501(c)(3) non-profit organizations, and tribes. ⁱⁱ				
Project Types: CWSRF-eligible wastewater projects. ⁱⁱⁱ				
Affordability Criteria			Grant Amount ^{iv}	
Population ^v	Community Median Household Income (MHI)	Wastewater Rates as Percent of MHI ^{vi}	Percentage of Total Project Cost ^{vii}	Up to a Maximum of (\$ million) ^{viii, ix, x, xi}
<20,000	ANY ^{xii}	≥4.0%	50	6
	Disadvantaged Community (DAC) with MHI <80% of Statewide MHI	≥1.5%	50	4
		≥2.0%	50	6
	Severely Disadvantaged Community (SDAC) with MHI <60% of Statewide MHI	≥1.5%	75	4
		≥2.0%	75	6

Table 4b. CWSRF Principal Forgiveness ^x

Eligible Applicants: Any municipality, intermunicipal, interstate, or state agency (regardless of population, MHI, or wastewater rates). ^{xiii}
Project Types: Any CWSRF eligible project consistent with the Green Project Reserve: Guidance for Determining Project Eligibility (see page 50 of 94) that implements a process, material, technique, or technology to address water-efficiency or energy-efficiency goals, mitigate stormwater runoff, or encourage sustainable planning, design, or construction. This includes, but is not limited to: water or energy conservation assessments, audits, or plans, water reuse ^{xiv} , water or energy reducing devices, and water meters.
Principal Forgiveness Amount: For water or energy conservation assessments, audits, or planning work, 100 percent of actual costs up to \$35,000 in principal forgiveness. For all other projects, 50 percent of total, actual costs associated with water or energy conservation or sustainable planning, design, or construction up to \$2.5 million in principal forgiveness.

(continued on next page)

Table 4, Notes:

ⁱ This includes funds available through the CWSRF Program's annual SCG allocation, any available residual general obligation bond funds (including those specifically identified in State Water Board Resolution No. 2013-004, and any additional residual general obligation bond funds that may become available), and general obligation bond funds available as a result of Prop 1. At least 10 percent of the SCG funds available per Prop 1 will be provided to SDACs.

ⁱⁱ Public Agencies include state agencies or departments, special districts, joint powers authorities, cities, counties, or other political subdivisions of the state. Tribes include federally recognized tribes, and state tribes on the Native American Heritage Commission consult list.

ⁱⁱⁱ Includes only: (a) projects approved for funding after June 2, 2015 (consistent with CWSRF Policy, planning and design costs incurred prior to funding approval may be reimbursed upon execution of the financing agreement), or (b) Division approved cost increases for planning or construction projects approved prior to June 2, 2015, if such increases are consistent with the funding criteria and limitations herein. In addition to capital projects, the Division of Financial Assistance (Division) is authorized to direct up to fifteen percent of the funds available per Prop 1 to a multi-disciplinary technical assistance program for small DACs and SDACs. The Division will develop a Technical Assistance Funding Plan or similar document and bring such document before the State Water Board for consideration at a future date.

^{iv} Regardless of wastewater rates, any small DAC or SDAC may receive 100 percent of eligible planning costs, not to exceed \$500,000 in SCG funding, for wastewater planning activities, including but not limited to feasibility/engineering studies, environmental studies, legal analyses, and financial/rate analyses. Any State Water Board grants or principal forgiveness provided as part of such agreement, will count toward the maximum grant amount for which the community is eligible. For a regional planning project, the Division may elect to approve more than \$500,000 in SCG funds, not to exceed \$500,000 in SCG funding per community included in the regional plan. Upon the Division's determination of sufficient planning funding needs, more than 15 percent of the funds available per Prop 1 may be used to fund planning and technical assistance activities.

^v With the exception of primary and secondary schools, to qualify for SCG funds, a project must be geared toward addressing primarily residential needs. Also, at least 50 percent of the dwellings or dwelling units must be the primary dwelling of permanent residents for a community or community area to qualify for SCG funds. Typically, permanent residents are those residing in the community at least six months out of the year; however, seasonal, migrant laborers can also be counted as permanent residents.

^{vi} For the purposes of calculating rates as a percentage of MHI, service charges plus other costs specifically related to the wastewater system may be considered, including but not limited to, dedicated sales tax revenue, assessments, and fees. If a CWSRF-eligible wastewater project consists of improvements to the drinking water system, the drinking water rates and charges may be considered in lieu of wastewater rates and charges. For publicly-owned or non-profit-owned systems serving facilities such as primary and secondary schools, labor camps, or mobile home parks for which wastewater user rates or service charges are not directly charged to residents, if the credit review shows inadequate revenues to afford repayment of the remaining project costs, the Division may elect to approve up to 100 percent grant up to a maximum of \$6 million, as necessary to approve financing for the project. Even if 100 percent grant is approved, Division staff will review projected revenues and expenses to confirm adequate revenues to operate and maintain the project.

^{vii} For small DACs and small SDACs with wastewater rates at least 2.0 percent of community MHI, if the community's credit review shows inadequate revenues to afford repayment of the remaining project costs, the grant percentage may be increased to as high as 100 percent, as necessary to approve financing for the project. In addition, for small DACs or small SDACs, the Division has discretion to increase the grant percentage to as high as 100 percent, if the community's unemployment rate is at least 2 percent higher than the statewide average, or if declining population trends or low population densities impact the community's ability to afford financing. Even if 100 percent grant is approved, Division staff will review projected revenues and expenses to confirm adequate revenues to operate and maintain the project.

^{viii} For projects that connect previously unsewered areas or join communities to regionalize wastewater treatment works consistent with the CWSRF Policy, SCG funds will be allocated to each community served by the project on a per community basis, rather than a per project basis. For these projects, and for projects that either reduce contaminants in drinking water supplies, or prevent further contamination of drinking water supplies (by eliminating or reducing a source of contamination that is impacting a drinking water source, such as failing septic systems), the Division may increase the maximum grant amount per community to \$8 million.

^{ix} For public agencies, if project components will either reduce the demand for wastewater capacity or reduce the energy consumption needs for publicly-owned treatment works consistent with the [Green Project Reserve](#):

[Guidance for Determining Project Eligibility \(see page 50 of 94\)](#), and those components result in higher capital costs compared to other less water and energy efficient options, the Division may make a determination that the incremental cost increase will be provided as additional grant, above and beyond what would otherwise be the maximum grant amount for the project.

^x To ensure that available funds are distributed to a large cross-section of communities throughout California, a single community may not receive cumulatively more than \$8 million in SCG and principal forgiveness funding in any given five year period.

^{xi} Any project with a cost per household exceeding \$30,000 is considered non-routine, and any construction funding agreement for such a project will be subject to State Water Board approval.

^{xii} Communities not qualifying as disadvantaged are required to fund a local cost share of not less than 50 percent of the total costs of the project. As part of requesting disbursements, such communities will be required to submit backup documentation substantiating that the community paid the local cost share.

^{xiii} Municipality includes an Indian tribe or an authorized Indian tribal organization.

^{xiv} Any water reuse project funded through the WRFP would not additionally receive principal forgiveness.