

**FFY 2011/2012 - Clean Water State Revolving Fund (CWSRF)
Intended Use Plan (IUP) Public Comments
February 8, 2012 to March 9, 2012**

Date Comment Rcvd.	Agency	Representative	Comments	Staff Recommendation
2/16/12	Graton Community Services Dist.	Abigail Myers	For Project No. 4986-110 1) The agency name should be changed from "Graton County Service Area #2" to "Graton Community Services District." 2) The District should be receiving an estimated \$6M under Principal Forgiveness, not under Loan Financing.	Staff prepared Change Sheet #1 to show that Table 3 should be revised to show the agency name for Project No. 4986-110 as "Graton Community Services District." Table 3 in the March 5, 2012 draft IUP shows the District receiving an estimated \$6 million in principal forgiveness with no loan financing. Therefore, staff recommends that no change be made to the IUP regarding the "Estimated Sources of Financing."
2/16/12	City of Dunsmuir	Tom Warnock Principal Engineer	For Project No. 7849-110 The estimated financing numbers in Table 3 for loan and principal forgiveness should be swapped.	Staff prepared Change Sheet #1 to show that Table 3 should be revised to show an estimated \$4,357,500 in principal forgiveness and an estimated \$1,452,500 in loan financing for the City of Dunsmuir's Project No. 7849-110.
3/6/12	City of Redding	Derick Beard	The estimated costs for project 5380-110, City of Redding, should be \$12.6 million.	Staff prepared Change Sheet #1 to show that the estimated costs for project 5380-110, City of Redding, should be changed to \$12.6 million.
3/6/12	Buena Sanitation District	Steve Jepsen	Project 5709-110 listed for the Buena Sanitation District should be deleted from Table 3.	Staff prepared Change Sheet #1 to show that Project 5709-110 listed for the Buena Sanitation District should be deleted from Table 3.
3/8/12	USEPA Reg. 9	Juanita Licata, CA SRF Project Officer	1) Sec. III - Program Capabilities, Financial Outlook , pg 6: IUP should identify the estimated CWSRF funds available (i.e., dollar amount) for financing new projects in SFY 2012. 2) Sec. III - Program Capabilities, Overall Funding Approach, 5. Implementation of Federal Requirements , pg. 11: The IUP should mention that many federal requirements apply in an amount equal to the capitalization grant.	Staff prepared Change Sheet #1 to show that: 1) Staff recommends that changes be made to the "Funding Forecast" on page 14 in section "III. Program Capabilities" to address this comment. 2) Staff recommends that changes be made to two sections, the "General Elements Applicable to CWSRF Funding" and "Implementation of federal requirements," to address these comments.
3/9/12	South Tahoe Public Utility District	Eric Schafer President, Board of Directors	Of specific concern is footnote #2 on Table 4 that states, "at least fifty percent of the dwellings or dwelling units must be the primary dwelling of permanent residents for a community or community area to qualify for PF/Grants. Seasonal, migrant laborers can also be counted as permanent residents." The District has data that indicates a high rate of permanent occupancy by renters. On the basis of the unique nature of home ownership within the Tahoe Basin, the District respectfully requests the language be eliminated or additional language that would allow exemption for tourist based economies similar to the Lake Tahoe Basin.	Staff recommends that footnote #2 remain to ensure that limited PF/Grant funds are used first to address the large demand from first home, disadvantaged communities composed of permanent residents before addressing wastewater needs in communities composed of largely second homes.

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3/9/12	Self-Help Enterprises	Thomas J. Collishaw Vice President	<p>Need to better target the communities that cannot resolve their wastewater issues without SWRCB assistance, especially small severely disadvantaged communities. Recommend the following:</p> <ol style="list-style-type: none"> 1) Increase the share of PF in Category 1 from 60 percent to 75 percent, 2) Under current contract with California Rural Water Association (CRWA), allot more than 25 hours in technical assistance per community, 3) To encourage regional wastewater projects and improve flexibility, funding should be allocated on a per-community, not per-project, basis, 4) Suggest adding related loan fees, taxes, costs of abandoning the septic system and connection to sewer, on top of the wastewater rates, to calculate the community's rates as a percentage of median household income (MHI). 	<ol style="list-style-type: none"> 1) Staff recommends keeping the 60/40 split between Categories 1 and 2. Total principal forgiveness from U. S. EPA has been significantly reduced over the last 3 years. The lower amount of PF, though, will be offset for small disadvantaged communities (SDACs) because they qualify for grants through the CWSRF Small Community Grant (SCG) Fund (estimated at \$12 million for next fiscal year). Additional funding for SDACs may also be available later this year as a result of deobligations from previous state bonds coming back to the Small Community Wastewater Grant (SCWG) Program (estimated at \$10 million). 2) Per the existing service contract with California Rural Water Association, technical assistance is generally limited to 20 hours per SDAC, but the Division of Financial Assistance has the flexibility to approve more than 20 hours per community on a case-by-case basis. 3) In the case of regional projects, PF is typically allocated on a per community basis. Staff prepared Change Sheet #1 to show that staff recommends revising the language in the IUP to make this more clear. 4) Division staff have previously included these costs in its analysis of rates as a percent of MHI. Staff prepared Change Sheet #1 to show that staff recommends that the language in the IUP be revised to make this more clear.
3/9/12	CA Rural Legal Assistance Foundation	Enid Picart, Esmeralda Soria, Jennifer Clary, Laurel Firestone, Chionel Flegal	<ol style="list-style-type: none"> 1) Recommend annual review of the status of the top 50 projects on the SCWG priority list, indicating how many have recieved technical assistance, planning or construction funding, and how many projects were completed, 2) Under "Fund the Most Beneficial Projects," there should be a 5th bullet that says, "Promote short and long term investment through the SRF in disadvantaged communities impacted by pollution and water contamination," 3) To ensure that at least 25% of projects assist disadvantaged communities: <ol style="list-style-type: none"> (a) conduct at least one application training workshop per year, per regional water board, specifically targeting small and disadvantaged communities, (b) increase the percentage of loan financing as extended term financing, (c) relax local match requirements in disadvantaged communities, (d) more pre-construction funds for small and disadvantaged communities, (e) include preferences for projects that assist disadvantaged communities, even if the applicant is not a disadvantaged community, also relax limitation on how much funding an agency can receive per year, if that agency is targeting its CWSRF funds to assist disadvantaged communities, 4) Increase PF allotted to projects in Category 1 from 60% to 75%, 5) Suggest including loan fees, taxes, and costs of septic abandonment/ connection to sewer, in calculating the rates as a percentage of MHI, 6) IUP should address providing technical resources and targeted outreach to: <ol style="list-style-type: none"> (a) accurately assess need for technical assistance resources in all regions and 	<ol style="list-style-type: none"> 1) A report regarding the number of SDACs receiving technical assistance and/or funding, and completing projects, will be incorporated into the next annual update on our efforts to support SDACs, anticipated December 2012. 2) Staff recommends no change. DACs impacted by pollution and water contamination generally rise to the top of the Division workload based on existing Water Board goals (i.e., help achieve compliance with water quality objectives, maximize environmental benefits). 3) (a) The Division will provide SDACs opportunities to participate in the current application revamp effort and to receive training on the new application process. 3) (b) Use of ETF has been relatively limited since it is only applied in cases where PF is not sufficient to make a project affordable. As PF becomes more limited, the Water Board has the flexibility to utilize ETF more. 3) (c) Staff recommends no change. The IUP already provides significant subsidies for small disadvantaged and severely disadvantaged communities. The proposed IUP language allows 100% PF for small severely disadvantaged communities with rates exceeding 1.5% of MHI (up to \$4 million), and for SDACs with rates exceeding 2.0% of MHI (up to \$6 million). 3) (d) Staff recommends no change. The IUP already provides significantly levels of PF for planning financing. Assuming the 2012/13 state budget is approved as proposed (\$12 million in SCG funds for next fiscal year), the IUP provides \$3 million in SCG funds dedicated to planning through until July 1, 2013. 3) (e) Decisions regarding PF and ETF are based on the community served by the project, not a conduit agency that may be acting on behalf of a disadvantaged community. Staff prepared Change Sheet #1 to show that staff recommends clarifying language in the final IUP. The Division is also investigating the feasibility

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			<p>areas of the state (including San Joaquin Valley and East Coachella Valley), and allocate sufficient funds for technical assistance providers,</p> <p>(b) identify some percentage of the 55 person years for technical assistance and outreach to small and disadvantaged communities,</p> <p>(c) articulate a marketing and outreach strategy that will increase applications to the CWSRF program from small and disadvantaged communities.</p>	<p>of incentives to encourage larger agencies to support SDACs. This will be addressed in the next Policy amendment.</p> <p>4) As discussed above (See Item 1 from previous comment letter), Division staff recommends keeping the 60/40 split between Categories 1 and 2 because SCG funds are expected to be available in 2012/13.</p> <p>5) Division staff have previously included these costs in its analysis of rates as a percent of MHI. Staff prepared Change Sheet #1 to show that staff recommends revising Note 4 to Table 4 to make this more clear.</p> <p>6) Staff recommends no changes to the IUP. Staff believes that these areas are better addressed through the Small Community Strategy.</p>