

**STATE WATER RESOURCES CONTROL BOARD
CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
FREQUENTLY ASKED QUESTIONS**

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General

1. What is the allocation amount for the California CWSRF program?

The California CWSRF program will receive about \$280 million.

2. What are the provisions of the ARRA?

The ARRA was signed into law on February 17, 2009. Highlights of the ARRA as it pertains to California's CWSRF:

Timing: All projects must be under construction within 12 months of enactment.

Priority: Prioritizes projects ready to proceed to construction within 12 months of enactment and sets a goal of using at least 50% of funds for projects that can be initiated within 120 days of enactment. Recipients shall use funds in a manner that maximizes job creation and economic benefit.

Subsidies: Requires that the State Water Resources Control Board (State Water Board) use not less than 50% of the approximately \$280 million for grants, principal forgiveness, negative interest, or a combination.

Green infrastructure: To the extent eligible applications are received, federal law requires that not less than 20% of the \$280 million go for green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.

Prohibited uses: Prohibits the use of ARRA money for purchase of land or easements. Also can't use for casino, zoo, aquarium, golf course, or swimming pools.

Refinancing: Authorizes use of ARRA money to refinance bridge-period financings where debt incurred on or after October 1, 2008.

Buy American: All iron, steel, and manufactured goods in construction must be produced in US unless EPA Administrator waives.

Prevailing wages/Davis Bacon: Have to pay at least Davis Bacon, maybe state prevailing wage.

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3. What are the steps to apply for the ARRA funds?

The information below applies to **all** projects seeking CWSRF funds, including ARRA funds.

- a. Submit your project information to be placed on the CWSRF Project Priority List (PPL). Enter your project(s) information into the Financial Assistance Application Submittal Tool (FAAST) on-line system at <https://faast.waterboards.ca.gov/>. The project information will be included on the CWSRF PPL. **Your project(s) must appear on the PPL to be eligible to receive financial assistance. (Please submit each project separately).**
- b. Submit a financial assistance application for each project with requested documents: The application forms are available on the SRF webpage under STATE REVOLVING FUND FORMS:
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/srf_forms.shtml.

Expanded Use applicants may complete the Expanded Use application in FAAST. Instructions are available on the Expanded Use website:
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/expanded_use.shtml
- c. Once a completed financial assistance application is received, a project manager from the State Water Board's Division of Financial Assistance will contact the applicant and provide further guidance.

4. What is the deadline to submit an application?

There is no deadline to submit a CWSRF financial assistance application. If the project is ready to proceed, we strongly encourage the applicant to enter project information in FAAST (to be placed on the PPL) and submit a financial assistance application as soon as possible to be considered for the ARRA funds.

5. Will the ARRA funds be offered as a grant or loan?

Please view the [ARRA CWSRF Fact Sheet](#) for the distribution of funds.

6. What are the affordability criteria?

The ARRA does not have any affordability criteria requirements for funds disbursement. However, the State Water Board may establish, after a public meeting, affordability criteria for some project categories such as small disadvantaged communities to receive ARRA funds.

7. Are there matching funds requirement?

No, there is no matching funds requirement.

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8. Is there a maximum amount of funding per project?

ARRA does not specify a maximum amount of funding per project. However, the State Water Board may establish a funding cap to distribute ARRA funds in a way that maximizes the benefit to California's water quality needs.

9. How will projects be prioritized to receive funding?

Project prioritization is based on readiness to proceed and eligibility criteria established by the State Water Board. Please view the resolution for the funding guidelines - http://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2009/rs2009_0027.pdf

10. Can the current suspended bond projects (Prop. 40, 50, etc.) receive funding?

Yes, if they meet State Water Board requirements (see response to question #9).

11. What are the terms of the ARRA funding (Interest rate, repayment terms, etc.)?

Please view the resolution for the funding terms - http://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2009/rs2009_0027.pdf

Eligibility

12. What projects are eligible to receive funding?

As long as a project is eligible under the current CWSRF Policy, it should also be eligible for stimulus money.

Eligible projects include construction of publicly-owned municipal waste treatment facilities, such as, wastewater treatment infrastructure, storm water elimination/treatment/reduction facilities, or municipal landfill leachate treatment systems (CWA Section 212 projects), implementation of measure or project in the State's NPS Management Programs (CWA Section 319 projects), and development and implementation of National Estuary Programs (CWA Section 320 projects).

Section 319 California NPS Pollution Control Program Weblink:
http://www.waterboards.ca.gov/water_issues/programs/nps/protecting.shtml

Section 320 – California Estuary CCMPs Weblinks.
San Francisco Bay CCMP: <http://www.sfestuary.org/ccmp.html>
Morro Bay CCMP: <http://www.mbnep.org/conservation/>
Santa Monica Bay CCMP:
<http://santamonicabay.org/smbay/AboutUs/TheBayRestorationPlan/tabid/55/Default.aspx>

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In addition, ARRA requires, to the extent eligible applications are received, not less than 20% of the \$280 million for California CWSRF to fund green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.

13. What agencies can apply (ex. Non-profit, State agencies, private sectors)?

- Any city, town, district, or other public body created under state law
- A Native American tribal government or an authorized Native American tribal organization having jurisdiction over disposal or sewage, industrial wastes, or other wastes
- Any designated and approved management agency under the Clean Water Act, Section 208.

Non-profit and State agencies can apply for funding if the project is defined as an expanded use project, such as:

- Implementation of non-point source (NPS) projects or programs.
- Development and implementation of estuary Comprehensive Conservation and Management Plans.
- Storm water treatment and other point source projects.

Private sector entities are not eligible to apply.

14. Are non-regulated and regulated tribal agencies eligible?

Yes.

15. Are design build projects eligible?

Yes.

16. What costs are eligible?

In general, project planning, design, construction, and administration costs are eligible. Land purchase is not eligible for ARRA funds.

For wastewater treatment facilities projects, see Section IX. G of the CWSRF Policy:
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/forms/091608/srf_policy_9_16_08_adopted_version.doc

For expanded use projects, see Section IV. B of the Strategy for Implementing State Revolving Fund for Expanded Use Projects:
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/downloadedstrategy.pdf

17. Are expanded use projects eligible (ex. non-point source, storm water, TMDL, estuary plans, water recycling) for ARRA funds?

Yes, expanded use projects are eligible for ARRA funds.

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- 18. Define terms: “shovel ready”, “water and energy efficiency”, “green infrastructure” and “environmentally innovative”.**

To be considered “shovel ready” a project must be ready for a financing agreement by September 1, 2009.

EPA Guidance on Green Infrastructure:

http://www.epa.gov/water/eparecovery/docs/STIMULUS_Guidance_Green_Reserve.pdf

2009-2010 CWSRF Project Priority List (PPL)

- 19. Will projects currently on the 2008-2009 CWSRF PPL still be eligible?**

Yes, projects on the existing CWSRF PPL are eligible, but to be considered for stimulus funds, a completed Financial Assistance Application must also be submitted.

- 20. How do I enter new project information into the on-line system?**

Go to the 2009/2010 CWSRF PPL Information on the CWSRF website for instructions:

http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/fy0910_pp_list.pdf

You can also go to the FAAST homepage and download the User Manual:

<https://faast.waterboards.ca.gov/>.

- 21. Do existing projects on the current PPL need to resubmit project information through FAAST?**

No, the project(s) will remain on the existing PPL up to 5 years. If there are any changes to the project information, go to the FAAST on-line system to update.

- 22. What is the timeline to submit project information in the FAAST system?**

For a project to be included on the 2009/2010 PPL, please review the PPL Adoption Schedule for dates. To review the schedule, visit the PPL information:

http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/fy0910_pp_list.pdf

Environmental Compliance

- 23. Are National Environmental Policy Act (NEPA) documents required for funding?**

As identified in the California Code of Regulations, Title 23, Division 3, Chapter 27, Article 4, Section 3750 (a), “Whenever any municipality applies to the state board for discretionary grant assistance from both the state and the Federal Environmental Protection Agency for a project to be undertaken by such municipality, the application shall be supported by: (1) An Environmental Assessment as required by the National Environmental Policy Act. (2) An Environmental Impact Report or Negative Declaration as required by CEQA.”

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For the CWSRF Program in California, USEPA accepts the California Environmental Quality Act (CEQA) process as satisfying USEPA's NEPA obligations. However, if there are NEPA documents associated with the applicant's project, they must be included with the application, as well as the Record of Decision made by the federal agency responsible for that NEPA document.

24. Can CEQA plus document be accepted in lieu of NEPA?

CEQA-Plus is not and has never been in lieu of NEPA. The applicant submits its CEQA documents, which serves to comply with USEPA's NEPA obligations for the CWSRF Program. As indicated earlier, if there are NEPA documents associated with the project because of federal agency involvement, those documents must also be included.

CEQA-Plus refers to providing information addressing project impacts subject to federal cross-cutting regulations (federal cross-cutters), in addition to providing the CEQA document. Most federal cross-cutters are regulations already imposed on state and local agencies and are included as part of California's environmental processes. If a CEQA document is adequately prepared, most federal cross-cutters should already be addressed and project impacts, as well as avoidance, minimization, and mitigation measures, should be analyzed during the CEQA process, and identified in that CEQA document and its supporting information.

25. Does the NEPA/CEQA process have to be completed before an application is submitted?

An application is incomplete until a final CEQA document, with supporting information, is submitted. However, the applicant can submit its application information, with draft environmental documents, to start the consultation process with the State Water Board's Project Manager.

Note that the State Water Board is a responsible agency under CEQA and welcomes the opportunity to review and comment on administrative and public drafts of CEQA documents, especially for projects needing State Water Board funding. Early coordination is encouraged so that comments can be addressed and issues and alternatives can be identified during the draft stage rather than after the CEQA document has been adopted or certified by the lead agency. The applicant should be including the State Water Board into the CEQA process before any draft documents are submitted to the State Clearinghouse.