



October 19, 2018

Felicia Marcus, Chair, and Members  
State Water Resources Control Board  
1001 I Street, 25<sup>th</sup> Floor  
Sacramento, CA 95814



Via electronic mail: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

**SUBJECT: Comment Letter – November 27, 2018 Board Meeting – CWSRF Policy Amendment**

Dear Chair Marcus and Members of the Board:

WaterReuse California (WRCA) appreciates the opportunity to provide comments on the draft Proposed Amendment to the Policy for Implementing the Clean Water State Revolving Fund (CWSRF). WRCA, which represents most of the agencies providing recycled water in California, appreciates the Water Board's efforts to advance funding for recycled water projects in California. These projects have provided a sustainable source of water for communities throughout the state and, through the development of this new supply, helped mitigate for the impacts of climate change. The revisions suggested below are intended to maintain the CWSRF as a critical source of financing for recycled water projects.

We offer a few other specific comments:

Primary Scoring:

The proposed policy amendment fails to provide scoring for water recycling projects that would provide corrective or preventative water quality actions. The highest primary score applicable to water recycling projects is 7 (improvement). As water recycling projects are permitted and regulated to protect the public health, drinking water sources, and the environment similar to other clean water projects, corrective and preventative scores should be made applicable to water recycling projects. Water recycling projects may require preventative and corrective actions to meet permit and regulatory requirements. For example, water-recycling projects could include replacement of treatment infrastructure necessary to prevent or correct permit violations. Further, tertiary filters may need replacement to meet turbidity requirements, or changes to the disinfection process may be needed to correct potential Title 22 violations. We ask that specific scoring of 8 (corrective) and 7 (preventative) be allowed for recycled water projects that provide corrective or preventative water quality actions.

### Secondary score:

We ask for the following revision in the secondary score criteria:

- 1) Project addresses multiple water quality impairments, eliminates or reduces multiple sources of water pollution, or eliminates or reduces a discharge of waste regulated by a Regional Water Board or the State Water Board.
- 2) Within the category for a multi-agency regional environmental management plan, DFA should consider adding whether a project is included (or listed) in an Integrated Regional Water Management Plan (IRWMP). Projects identified in these plans and otherwise eligible for CWSRF funds appear to meet the other elements of this criteria.

### Readiness Score:

The “Readiness Score” requires at least 49% complete to get a score of 1 and 89% to get a score of 2. Anything less than 49% receives a score of 0. However, in section (IX, A, 1), it states “Applicants should submit the complete application for review in advance of the ten percent (10%) design level effort.” If applicants submit their plans in advance of 10% design level effort they will receive a 0 for readiness. These two sections should be clarified.

### Private System Eligibility:

The Policy includes eligibility for recycled water onsite user retrofits on publicly owned use sites, but currently does not specifically address the eligibility of privately-owned properties. In addition, in section IX.C.1.r.vi we suggest that “on publicly owned” be removed from the definition and replaced with the term “eligible”. A retrofit project that includes expansion of pipelines may include multiple sites, both public and private, that should be retrofitted. The policy should clarify and specifically include eligibility for recycled water onsite user retrofits on private property that is publicly funded.

### Planning/Design Application Requirements:

The proposed policy includes several significant new Planning/ Design application requirements. These requirements will significantly increase the burden of submitting a planning and design application. The requirements seem more appropriate for project financing application/agreements not Planning and Design. The Water Board should reconsider the necessity of these additions.

### Intended Use Plan (IUP)

As projects must be on the annual IUP “fundable list” to be considered for funding under the CWSRF policy, we suggest there be a section in the policy that includes how applicants would apply to be part of this list, including important dates and

deadlines. The 'Program Management' section of the draft Policy states that (section IV.B.) the Fundable List will identify Eligible Projects that the State Board intends to finance. However, the Policy does not include a definition of the new term 'Eligible Project,' so it is unclear what specific requirements apply for an applicant project to be deemed an 'Eligible Project' by the Board. We request that a definition of this crucial term be added to the Policy to guide potential applicants attempting to assess their likelihood of receiving funding from the program.

Once the Board has determined which applicant projects constitute 'Eligible Projects' under the CWSRF program rules, it is unclear exactly how and when the Fundable List is generated. This information would be helpful to prospective applicants in navigating the Board's process, creating their own internal deadlines, and managing expectations related to their projects' applications. We would request that the Policy include an outline of this internal process and its deadlines, as it is likely to extend through the latter half of the prior fiscal year and then through the applicable program funding year (i.e. January 2018 through June 30, 2019 for FY 18/19).

Finally, the 'Project Removals' section of the draft Policy indicates that a project may be removed from the Fundable List for a number of different reasons, including if "the State Water Board instructs that it be removed." The draft Policy does not contain any process or engagement opportunity for stakeholders and applicants before Fundable List removal occurs. The implications of removal can be significant for project proponents who are counting on CWSRF funding for their projects to move forward, as it would delay possible receipt of this funds until at least the following fiscal year. It would be helpful for applicants to have an opportunity to respond to any issues that may lead to removal from the Fundable List, before removal occurs. We would request that the Policy be amended to include advance notification to project applicants of possible removal from the Fundable List, as well as an opportunity to provide comments, input or supportive documentation to the Board in response, in an effort to avoid the removal.

In conclusion, we thank you again for considering our views and look forward to working with the Board on increasing funding in the coming years for the CWSRF. Please do not hesitate to contact me if you have any questions or concerns regarding our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles LaSalle', written in a cursive style.

Charles LaSalle  
Project Manager  
(916) 216-6015