

Guidelines for the Expedited Drinking Water Funding Program (Guidelines)
Response to Comments Received February 10, 2022

Commenter(s)	Comment Topic	Comment Number	Summary of Comment Received	Response to Comment
California Water Association	Eligible Entities	1	The draft guidelines denies customers of California Public Utilities Commission (CPUC)-regulated water utilities the opportunity to receive the benefits of the Expedited Drinking Water Grant (EDWG) funding program.	Part of reason the guidelines initially focused on public entities is because there are unique nuances and legal review steps that must occur prior to executing funding agreements with private entities (including investor-owned utilities, mutual water companies, and mobile home parks, etc.). This work is focused largely on ensuring the agreements are binding and enforceable. DFA staff have modified the draft guidelines (Section 4.1) to include CPUC-regulated water utilities that are incorporated in California because due diligence work associated with these entities is typically more manageable and consistent compared with other private entity types.
California Water Association	Eligible Entities	2	Require that the California Environmental Quality Act (CEQA) process is complete to participate in EDWG.	No changes incorporated. CEQA clearance and permitting can be a significant hurdle. The EDWG is structured to expedite funding approval and allow the disbursement of funds to complete planning and design phase work, including engineering, environmental, permitting, access negotiations, etc. Status of environmental review is a factor for prioritization, but staff are not proposing to require complete CEQA clearance prior to funding approval.
California Water Association	Eligible Entities	3	Future commitment by the State Water Board to work with CPUC regulated utilities.	Comment noted. Regular meetings with CPUC staff and utilities have started and staff are committed to continue to work on ways to streamline approvals.
California Water Association	Program	4	Rename program to focus EDWG as a demonstration project.	No changes incorporated. Staff will provide regular updates on EDWG progress before the State Water Board.
California Water Service	Eligible Entities	5	Include non-public agency water systems as eligible EDWG applicants.	See response to Comment 1 above.

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California Water Service	Metrics	6	Draft guidelines do not contain any goals, timelines, or requirements; recommend distinct timeframes be established for each step of the EDWG process.	Goals and metrics for drinking water planning and construction projects are established and reported annually in the Drinking Water Intended Use Plan (IUP). Metrics for the EDWG program will be incorporated into the IUP. Tentative goals for EDWG processing time include: DFA award letters within 6 weeks after proposal deadline, awardee submittal of remaining documents within 30 days after award letter, grant agreement issued to awardee within 2 months of awardee submitting remaining documents, and agreement execution within 4 weeks of issuance.
California Water Service	TMF	7	Create a Technical, Managerial, and Financial (TMF) certification process that would be applicable to all grant applications submitted by a certified water system for a period of time, until the certifications would have to be renewed.	This is something that DFA staff can evaluate more broadly as part of pending amendments to the Policy for Implementing the Drinking Water State Revolving Fund (DWSRF). TMF requirements for drinking water projects are in Appendix C of the Policy.
Community Water Center, Clean Water Action, Leadership Counsel for Justice and Accountability	Grant Amount	8	The Board should increase project funding limits to \$20M per project.	The maximum was revised to \$15M (Section 5.1).
Community Water Center, Clean Water Action, Leadership Counsel for Justice and Accountability	Eligible Costs	9	The Board should further clarify that design and permitting costs are eligible under the EDWG program.	Language added to clarify (Section 7).
Community Water Center, Clean Water Action, Leadership Counsel for Justice and Accountability	Eligible Entities	10	The Board should allow Investor Owned Utilities (IOUs) and Mutual Water Companies (MWCs) to access program funding under limited circumstances and conditions (i.e., there is community support, the IOU or MWC is the receiving system in a consolidation project, it is not feasible for a public agency to lead the project, and a local agency has committed to serving as CEQA lead agency).	See response to Comment 1 above.
Community Water Center, Clean Water Action, Leadership Counsel for Justice and Accountability	CEQA	11	The Board should coordinate early with the local lead CEQA agency.	Comment noted.
Community Water Center, Clean Water Action, Leadership Counsel for Justice and Accountability	Other	12	The Board should determine a timeframe for adopting an advance payment program.	Advance payment is being piloted with a small group of projects and a broader policy is anticipated by the end of 2023.

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Community Water Center, Clean Water Action, Leadership Counsel for Justice and Accountability	Project Selection	13	The Board should accept applications on a rolling basis or establish application deadlines.	No changes incorporated. The guidelines describe a process for setting application deadlines (Section 6).
Community Water Center, Clean Water Action, Leadership Counsel for Justice and Accountability	Metrics	14	The guidelines should include steps taken to expedite reviews and establish metrics.	See response to Comment 6 above.
County of Tulare, Board of Supervisors	Eligible Entities	15	Eligibility should be based on community need, not the type of entity providing drinking water services.	See response to Comment 1 above.
Self-Help Enterprises	Eligible Entities	16	Expand eligibility to mutual water companies and investor owned utilities.	See response to Comment 1 above.
Self-Help Enterprises	Eligible Projects	17	Support for including Category D projects in the EDWG.	Comment noted.
Self-Help Enterprises	Eligible Projects	18	Support for including phased projects in the EDWG.	Comment noted.
Self-Help Enterprises	Grant Amount	19	Request clarification on funding limits; as written, Section 5.1 is confusing and could be misinterpreted. Recommend adding examples to show how funding limits will work for projects.	Edits added to clarify (Section 5.1). In addition, more detailed examples can be incorporated into application instructions and presentations at workshops for applicants.
Self-Help Enterprises	Project Selection	20	Periodic deadlines may allow for flexibility in collecting project proposals, but we recommend establishing deadlines throughout the year for EDWG. As Technical Assistance (TA) providers, it would be helpful to have deadlines established that we can work towards as application materials are gathered.	Comment noted.
Self-Help Enterprises	Project Selection	21	Request that applicants be notified if their application is incomplete or ineligible before a final decision is made, giving applicants a specified time to provide missing or revised documents.	Comment noted. If there is a minor oversight, that can potentially be corrected prior to award or with a condition in the award letter. For more significant deficiencies, the applicant will be notified but will likely be moved to the next round to avoid slowing down the award process.

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Self-Help Enterprises	Other	22	Recommend that the advance payment program be set up due to the reimbursement process that can be difficult for small communities to navigate as they lack the cash flow needed to float construction costs.	See response to Comment 12 above.
Self-Help Enterprises	Deliverables	23	Design documents, including plans and specifications, do not seem to be addressed throughout the guidelines. Encourage clarity on the eligibility of design and planning activities.	Language added to clarify (Section 7).
Self-Help Enterprises	CEQA	24	Senate Bill 974 (SB 974) allows an exemption for certain projects that benefit small disadvantaged communities (DACs) and schools. We encourage the State Water Board to put together guidance on how this exemption could be used in conjunction with EDWG and possibly other funding programs.	Comment noted.
Tuolumne Utilities District	Other	25	We propose increasing staffing and resources for regional funding coordinators as liaisons between local water agency representatives and Division of Financial Assistance (DFA) staff.	Comment noted.
Tuolumne Utilities District	Project Selection	26	Suggest adding status of permitting as a criterion to evaluate if a project can be expedited.	No changes incorporated. This would be part of evaluating against the prioritization criterion described in 4.3.d around timeliness and ability to meet appropriation deadlines.
Tuolumne Utilities District	Project Selection	27	Suggest adding status of land acquisition and/or right-of-way as a criterion to evaluate if a project can be expedited.	See response to Comment 26 above.
Tuolumne Utilities District	Project Selection	28	Suggest giving preference to projects where the applicant proposes to use alternative project delivery methods to expedite project design and construction.	No changes incorporated. Such preference is not recommended as alternative delivery methods may actually complicate the DFA approval steps specified in the EDWG guidelines.
Tuolumne Utilities District	Grant Amount	29	Suggest removing the \$10M grant limit and simply limiting the grant amount to what is specified in the current Intended Use Plan (IUP). Suggest making the funding amount per the discretion of the Deputy Director of DFA in compliance with the IUP and any other applicable funding policies.	See response to Comment 8 above.
Tuolumne Utilities District	Grant Amount	30	Suggest removing footnote #2, "Construction grants for projects that provide regional benefits or are shared among multiple entities, at least one of which is a small DAC, are limited to \$20 million".	This is just specifying existing statutory limitations specific to Proposition 1 and Proposition 68 funding. To avoid confusion, language deleted from draft guidelines as these limits are already specified in the DWSRF IUP, and grant limits from the DWSRF IUP are applicable to EDWG.