

# Budget Act of 2021 Allocation for Wastewater Infrastructure Projects

*Presented by: Bridget Chase  
Division of Financial Assistance (DFA)*

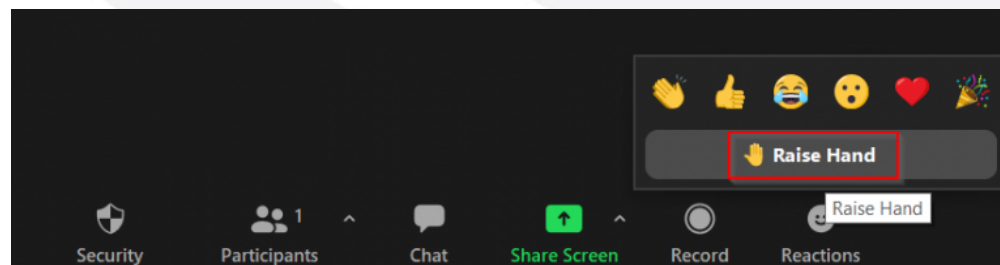


October 20, 2021

# Ways to Participate

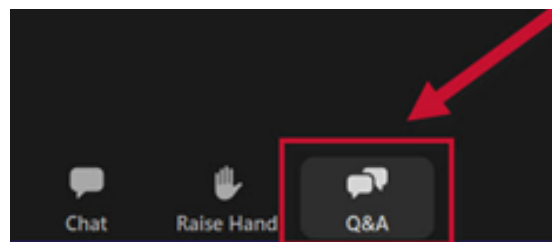
## Panelists

- Raise Hand



## Attendees

- Q&A



# Meeting Logistics

- This meeting is being recorded
- Panelists, please mute yourself when not speaking
- Make sure your screen name reflects your actual name
- Please rejoin the meeting if you get disconnected
- If you need technical assistance, email [OPP-Contact@waterboards.ca.gov](mailto:OPP-Contact@waterboards.ca.gov) or use Q&A
- Take breaks as needed

# Wastewater Funding Stakeholder Meeting Agenda

| Time     | Topic                         |
|----------|-------------------------------|
| 10:00 AM | Welcome and Meeting Logistics |
| 10:10 AM | Funding Background            |
| 10:20 AM | Funding Proposal Discussion   |
| 11:35 AM | Additional Q&A                |
| 11:55 AM | Next Steps & Stay Informed    |
| 12:00 PM | Adjourn                       |

# Budget Act of 2021 – State Water Board Allocations

| Allocation<br>(Millions) | Project Type                                                                    |
|--------------------------|---------------------------------------------------------------------------------|
| \$650                    | Wastewater projects<br><i>*priority to septic-to-sewer conversions</i>          |
| \$650                    | Drinking water projects<br><i>*priority to disadvantaged communities (DACs)</i> |
| \$30-100                 | Per-and polyfluoroalkyl substances (PFAS) support for water systems             |
| \$150-350                | Groundwater cleanup and water recycling projects                                |
| \$20                     | Mexico border rivers                                                            |
| \$                       | Other project-specific/directed allocations                                     |

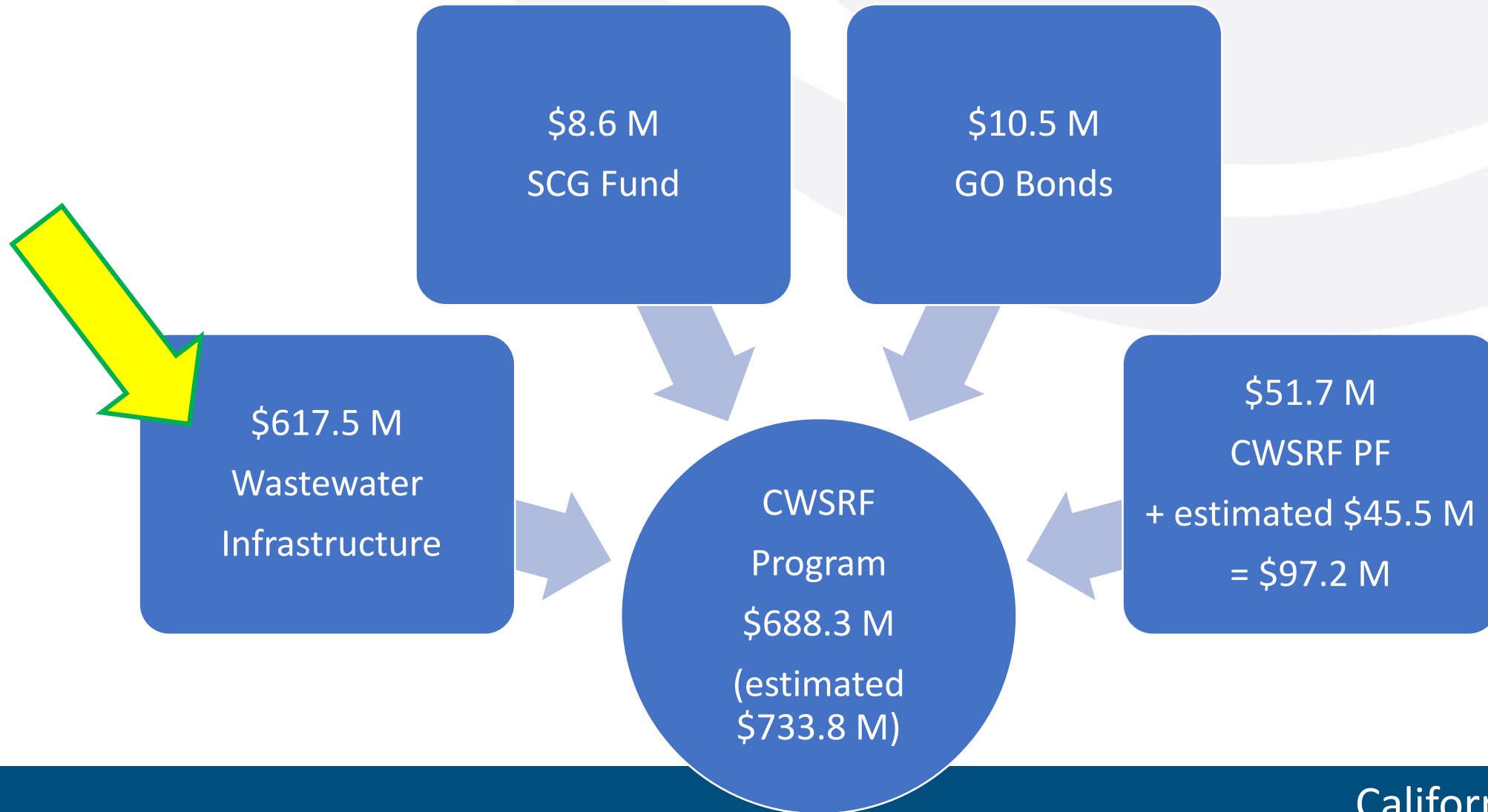
# Budget Act of 2021 – Wastewater Allocation

- Up to 5% for Administrative Costs
  - Leaves \$617.5 M for grants
- Up to 10% for Technical Assistance and Capacity Building in DACs
- Must be Encumbered by June 30, 2024
- Must be Liquidated by June 30, 2026
- Resolution No. 2021-0030, August 18, 2021
  - Authorized DFA to encumber up to \$100 M of wastewater allocation
- Remainder to be addressed in separate resolution early 2022



# FY 2021-22

## Grant / Principal Forgiveness (PF) Wastewater Funds Clean Water State Revolving Fund (CWSRF)



# Current CWSRF Intended Use Plan Criteria Small Communities

|                  |                         | Grant Amount                        |                              |                                          |
|------------------|-------------------------|-------------------------------------|------------------------------|------------------------------------------|
| Community<br>MHI | WW Rates<br>as % of MHI | Grant % of Eligible<br>Project Cost | Max Grant Per<br>Project     | Max Cost<br>Per Household<br>Per Project |
| Non-DAC          | 4%                      | 50%                                 | \$6 M                        | \$30,000                                 |
| DAC              | ≥1.5%                   | 75%                                 | - or -<br>\$10 M             | - or -<br>\$75,000                       |
| SDAC             | N/A                     | 100%                                | Septic to Sewer/<br>Regional | Septic to Sewer/<br>Regional             |

MHI = Median Household Income, SDAC = Severely DAC

Planning grant/PF amount for project subtracted from max eligible construction grant/PF.

\$12 M max per community over 5-year period.



# Active Applications Submitted / In House

## **Small DAC Septic to Sewer (\$198.8 M)**

- 14 Construction (\$193.7 M)
- 3 Planning (\$0.9 M)

## **Other Small DAC Wastewater (\$255.6 M)**

- 38 Construction (\$243.6 M)
- 29 Planning (\$12 M)

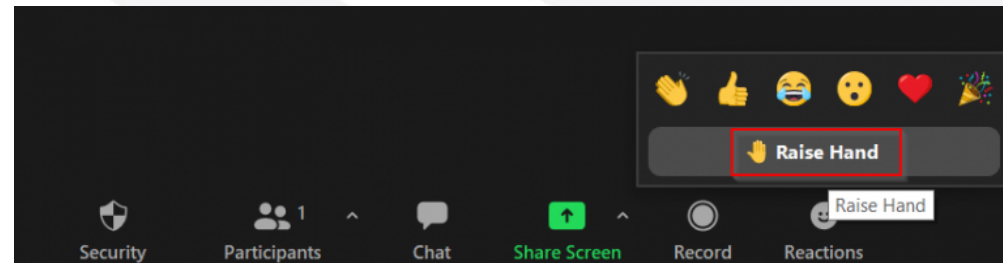
# Wastewater Allocation Outline for Input

1. Broaden grant criteria in the CWSRF IUP?
2. Septic-to-sewer set aside?
3. Grant funding for non-DACs?
4. Technical Assistance?
5. Other suggestions or input?

# Ways to Participate

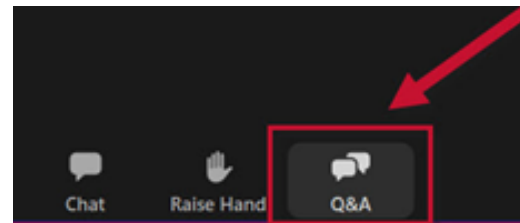
## Panelists

- Raise Hand



## Attendees

- Q&A



# Broaden Existing Grant Criteria in IUP?

## 1. Eliminate Max per Project & Focus on Max per Connection?

## 2. Planning

A. Follow Existing IUP - \$500K per community per project?

OR

B. No Max - Planning Costs Count Towards Total Grant per Connection Over 5 Years?

## 3. Construction

### A. Per Connection Limits

- 1) Septic-to-Sewer: Increase caps from \$75k/connection to \$100k/connection?
- 2) Other: Increase caps from \$30k/connection to \$45k/connection?

### B. Grant %

- 1) SDACs currently eligible for 100% grant regardless of wastewater rates
- 2) DACs required to have wastewater rates  $> 1.5\%$  of their MHI to get 75% grant
  - a) Keep the same?
  - b) Should DACs be eligible for up to 100% grant?
  - c) Should DACs be eligible regardless of how high wastewater rates are?

## Septic-to-Sewer Set-Aside? Pt.1

1. Create set-aside for septic-to-sewer projects?
2. Open set-aside to larger or non-DAC projects?
3. Is \$350 M a good set-aside amount?

## Septic-to-Sewer Set-Aside? Pt. 2

**If larger or non-DAC projects are eligible for set-aside, it could result in an influx of larger ready-to-proceed applications.**

1. Have set solicitation process for these entities?
  - Example:
    - Fall 2022 for concept deadline
    - Invite back eligible projects
    - Spring 2023 to complete full application
    - Construction start by spring 2024
    - Complete by end of 2025
2. Reserve portion of set-aside for small DAC septic-to-sewer projects to fund on continuous basis?



# Grant Funding for Larger or Non-DAC?

1. If septic-to-sewer set-aside is open to larger communities or non-DACs:
  - a) Should grant criteria be more conservative for those projects to help spread funds to multiple agencies?
2. Different caps?
  - a) \$25 million cap per project?
  - b) \$50k/per connection cap?
3. Different grant percentage?
  - a) 50% grant eligible?

# Technical Assistance?

**Up to 10% of the wastewater funds may be used for technical assistance (TA) and capacity building in DACs**

1. \$10M for project-specific TA may include:
  - a) Help to move advanced projects to complete construction application by early 2023
  - b) Help to move less developed projects through entire planning phase or to complete planning application
2. Should funds be used to complete a statewide needs assessment?
  - a) Focus on septic-to-sewer
  - b) Focus on both septic-to-sewer and other wastewater needs?
  - c) Who should complete this work?
3. Other TA needs?

The background features three broad, overlapping, wavy lines in a light gray color that curve across the upper half of the slide.

# **Other Input or Questions?**

## **Tentative Next Steps**

**December 2021: Public Workshop**

**February 2022: Board Adoption of Proposed Criteria**

## **Stay Informed**

- Subscribe for email updates at:  
[www.waterboards.ca.gov/resources/email\\_subscriptions/swrcb\\_subscribe.html](http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html)
  - Click on “Financial Assistance”
  - Check box titled “Clean Water State Revolving Fund”
- Updated information on the wastewater Infrastructure Appropriation will be in the “What’s New” section on the CWSRF Program webpage:  
[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/)