

DHS PROP 50 GRANT PROGRAMS

FREQUENTLY ASKED QUESTIONS (FAQ)

Signature on Page 1

The instructions for the pre-application state that one copy of Part 1 (with original signature) should be submitted by mail. The computer program doesn't include a "Page 1". How should this be addressed?

Contrary to the pre-application instructions, a signature is not required if you submit the pre-application electronically. The instructions were prepared before the computer program and electronic submittal process were completed.

Disadvantaged Community/CALFED glitch

In the Prop 50 pre-application program the answers for "disadvantaged community" and "CALFED" questions overwrite each other. How should this be addressed?

There is a "glitch" in the program. The applicant will receive a confirmation e-mail from DHS. In a response to that e-mail, the applicant should state the correct responses to the questions. DHS will then make the necessary corrections in the database at DHS.

Pre-application submittals

Can a water system submit pre-applications under separate grant programs for the same project to improve their chances for funding?

A water system may submit separate pre-applications under all grant programs for which the project is eligible.

Eligible Applicants

Can someone file a pre-application on behalf of a water system?

Yes. The water system must be listed as the applicant in the "project applicant" section of the pre-application. The contact information may be either the applicant or a representative. If the applicant is invited to submit a full application, DHS will work with the applicant to determine the appropriate legal entity with whom to execute a funding agreement.

Would a private mutually owned company qualify for Prop 50 grant funding?

All public water systems, regardless of ownership, are eligible to apply for DHS Prop 50 grant funds, subject to the restrictions of each grant program. Therefore, private mutually owned water systems are eligible. Other Prop 50 grant programs administered by other agencies may have different eligibility criteria.

Does a non-community transient system qualify for a Chapter 4a.1 grant?

Grant program 4a.1 is only for small COMMUNITY water systems. Therefore a non-community, transient water system is not eligible under grant program 4a.1.

Are funds available for a non-transient non-community system?

Non-community water systems are eligible under all DHS Prop 50 grant programs except 4a.1 (small community water systems) and 4a.3 (community water system monitoring facilities). However, the other seven grant programs are rather narrowly defined, and a project may not be eligible for one of those grant programs.

For an intertie project, which water system should be the applicant?

Any water system involved in the intertie can be the applicant. The other water systems involved in the project may be listed as co-applicants, but this is not required. There may be advantages for one water system or another to be the applicant: qualifying for small water system or disadvantaged community status, for example. The project description must specify the system(s) that is to be intertied, and must include a description of the interties (capacity, average daily demand of recipient system, etc.)

What entities are considered eligible applicants under Chapter 4b (Southern California)?

Member agencies or subagencies of the Metropolitan Water District of Southern California are eligible applicants. Alternatively, the applicant does not need to buy water from an agency that uses Colorado River water, but can qualify if it can be shown by several consecutive water systems that the last consecutive system does use Colorado River water (for example, City X buys water from City Y who does not use Colorado River water, but buys water from City Z who does use Colorado River water. All three Cities are eligible under 4b.)

Violations of Drinking Water Standards

What exactly is a "violation?"

A violation is any exceedance of a primary MCL, or non-compliance with a required treatment technique, or non-compliance with a drinking water standard (i.e., waterworks standards, exceedance of secondary MCLs or MCL ranges, etc.) This includes violations of regulations adopted at the federal level but not yet adopted at the state level (i.e., Arsenic MCL, Stage 1 Disinfection Byproducts, Long Term 1 Enhanced Surface Water Treatment Rule). It includes directives given by DHS through compliance or enforcement actions, or permit requirements. It does not include "threatened violations".

Would a violation of the *Cryptosporidium* standard under the anticipated Long Term 2 Enhanced Surface Water Treatment Rule for an unfiltered supply be considered as a "violation" for Prop 50 pre-applications?

Violations of the federal Long Term 1 ESWTR would be eligible, but not Long Term 2, since these standards are not yet adopted.

If a public water system has to shut down a well or other water source due to contaminants exceeding state or federal criteria, would that water source be considered in noncompliance for the purposes of the DHS Prop 50 grant programs?

Based on the information provided, yes, a water source that is shut down due to contaminants exceeding state or federal criteria would be considered to be in noncompliance.

Co-Applicants

Does a project move up the rankings if there are multiple co-applicants?

Some DHS Prop 50 grant programs give higher priority to projects that address multiple water systems (Chapter 3 and Chapter 4a.4). Other than these grant programs, there is no advantage or disadvantage to having other water system participants. In the pre-application, other water systems participating in a project may be identified in the project description, in an attachment, or in the list of co-applicants. The other participating water systems do not have to be listed as co-applicants.

Previously Constructed Projects

Are projects that have already completed construction eligible for reimbursement under a Prop 50 grant?

DHS Prop 50 funds cannot be used to reimburse applicants for projects already constructed.

Matching Funds

Even though matching funds are not required, if a "Small Water System" or a "Disadvantaged Community" were to contribute a portion of the moneys required, would the project gain advantage in the scoring and ranking process?

There is no funding priority given to a small water system or disadvantaged community for providing matching funds.

If a project component is determined not to be eligible, and the applicant opts to pay for that project component, can that expense be counted towards matching funds?

No. Only funds or donated services that are used for the approved project expenses can count as matching funds.

Disadvantaged Community Documentation

How is disadvantaged community status being determined?

*DHS will use census tracts to determine median household income (MHI) for an applicant. Applicants applying for disadvantaged community status should report the census tracts of their service area, **not** median household income. For the DHS Prop 50 grants, the Department of Water Resources (DWR) works with a contractor to determine the MHI of the census tract, and determines for DHS whether the applicant qualifies for disadvantaged community status.*

Can other methods of documenting disadvantaged community status be used, besides census tracts?

If the applicant believes that census tract data does not accurately reflect the MHI of the service area (i.e., the census tract is much larger than the water system service area), it is possible that other sources of information may be used to document disadvantaged community status. DHS is currently researching and evaluating other options for documenting MHI for communities that are a subset of a census tract. When and if these procedures become available, DHS will re-evaluate projects for disadvantaged community status.

Are income surveys an acceptable method of documenting MHI?

An income survey may be an acceptable method of documenting MHI, but the income survey must be done in accordance with accepted procedures, such as those for USDA Rural Development funding. Because data collection for an income survey takes a considerable amount of time and effort, applicants will not have time to prepare an income survey prior to the deadline for pre-applications this year. Applicants may choose to conduct an income survey during the course of the next year, and may amend their pre-application next year to provide the documentation for disadvantaged community status.

Grant Program 4a.2 – Eligible Treatment Technologies

Are treatment technologies not listed on the DHS website eligible under Chapter 4a.2 (Treatment Technologies)?

In addition to the list of approved contaminant treatment technologies, Chapter 4a. 2 also excludes from eligibility the list of approved filtration methods for microbial pathogens (a link for these has been added to the web page), and any method identified in regulation as a Best Available Technology (BAT) for a contaminant. While DHS has made an effort to ensure that these lists are complete, it is possible that there may be other treatment technologies that have been previously approved and would therefore not be considered eligible.

Chap 4b (Southern California) Projects - Criterion 3 for Ranking

Will projects be ranked by total cost/volume saved or grant amount/volume saved?
By total cost for the project per volume saved.

Current SRF projects

If an applicant has already started construction on an SRF project, is the project eligible for a Prop 50 grant?
No.

Can Prop 50 grant funds be used for repayment of SRF loans?
No.

Can an applicant for an SRF project that is already underway stop or delay the project in anticipation of a Prop 50 grant?

If an SRF applicant does not comply with the terms of the SRF Notice of Application Acceptance (NOAA), the applicant jeopardizes its SRF funding.

Disinfection Byproducts

Is one sample enough to determine whether a system will be out of compliance with the Stage 1 Disinfection Byproduct Rule?

Yes, if one sample is all the data available.

Does the pre-application need to include chlorite and bromate results for Chapter 4a.5?

Water systems that do not use chlorine dioxide for disinfection do not have to report chlorite results. Water systems that do not use ozone for disinfection do not have to report bromate results.

Expenses before Letter of Commitment (LOC)

If a water system plans to start construction of a facility prior to the letter of commitment, is the project still eligible for funding?

DHS will not reimburse for construction expenses (or construction-related expenses including equipment) incurred prior to the issuance of the letter of commitment (LOC). It is possible that construction expenses incurred prior to the LOC may count towards matching funds. However, if the applicant begins construction before the LOC, the applicant proceeds at the risk that DHS may not approve the project design. Therefore, all or some of the construction expenses may be deemed ineligible project costs and will not count towards matching funds. If DHS determines that facilities or components already constructed are not eligible for funding, any change orders or costs associated with removing or modifying those facilities will not be considered eligible expenses. In addition, if the applicant does not have CEQA clearance or approval of its Labor Compliance Plan before starting construction, they may put their project or funding from Prop 50 in jeopardy.

Project Costs Estimates and Funding

What is the consequence if the applicant underestimates the project costs in the budget that is included in the pre-application?

Applicants should make their best effort to provide an accurate budget in the pre-application. If the applicant underestimates the project cost, DHS cannot ensure that additional grant funds will be available to cover increases in cost. In no case will funds be available above the grant limits set in our criteria.

What is the consequence if the applicant overestimates the project costs in the budget that is included in the pre-application?

Applicants should make their best effort to provide an accurate budget in the pre-application. If the applicant overestimates the project cost, it may limit the number of projects that can be invited to apply for funding. In addition, if the applicant

overestimates the project cost, and the final cost is below the minimum grant amounts, the applicant may not receive a funding agreement.

If bids come in lower than the LOC funding amount, can the project be revised to use up the rest of the funds?

No.

Intellectual Property

Does the confidential information become no longer confidential after the study is completed, such as size of adsorbent?

Information that the applicant wants to be kept confidential must be clearly marked "Confidential" on the documents submitted. DHS will review the submittal, and any information that DHS determines to be confidential will remain confidential. The data developed during the course of the demonstration or research project will become public information.

Chap 6c - UV Treatment

Will DHS accept all UV technology for projects in Chap 6c?

All proposed UV treatment technology projects will be evaluated during the technical review of the application. Site validation of the UV facility may be necessary for some projects, and this would be an eligible project expense.

Labor Code compliance

What is involved in Labor Code Compliance?

State legislation requires that entities awarding public works projects financed with state bond funds must adopt and enforce a labor compliance program (LCP). The Division of Labor Standards Enforcement, a division of the Department of Industrial Relations (DIR), is the program primarily responsible for the enforcement of prevailing wage requirements on public works projects in California. Information regarding labor compliance is available on the DIR website www.dir.ca.gov/lcp.asp. DHS has information on its Prop 50 web page (<http://www.dhs.ca.gov/ps/ddwem/Prop50/>) that advises applicants on the pertinent LCP information on the DIR website. The applicant is responsible for complying with this requirement. DHS will require that the applicant provide documentation that this requirement has been met before disbursement of funds to the grant recipient. Recent legislation allows volunteers to be used under certain circumstances. If the applicant has not previously developed a labor compliance plan, DIR recommends that the applicant work with a nearby city, county, district, or other agency with a previously approved LCP, or hire a third-party consultant to prepare the LCP.