



# Fact Sheet

## **Drinking Water State Revolving Fund (DWSRF) 2020-21 Intended Use Plan (IUP)**

### Overview

The [IUP](#) describes the State Water Resources Control Board's (State Water Board's) plan for implementing the DWSRF and its complementary financing programs for drinking water projects to be funded in state fiscal year (SFY) 2020-21.

### What is New?

#### ***Small Disadvantaged Communities (DAC) and Small Severely Disadvantaged Communities (SDAC)***

#### Helpful Definitions

- **Small Community Water System:** serves < 3,300 connections or population < 10,000 persons
- **Expanded Small Community Water System:** serves between 3,300 – 6,600 connections or population between 10,000 – 20,000 persons
- **DAC:** median household income (MHI) < 80% of statewide MHI
- **SDAC:** MHI < 60% of statewide MHI
- **Consolidation Incentive:** Construction project that solely benefits a receiving public water system (PWS) when the PWS fully consolidates one or more small water systems or extends service to one or more communities having at least 15 service connections or year-round population of at least 25 people.

The State Water Board's drinking water funding priorities in SFY 2020-21 will stress helping small SDACs and small DACs solve their drinking water problems. Priority will be given to systems experiencing serious drinking water public health issues (Category A-C as defined in the DWSRF Policy) and consolidation projects. Grant/principal forgiveness (PF) criteria can be found in [Appendix E](#) (page 80) of the IUP.

#### Per Connection Grant/PF Funding Cap

- Applies to total grant/PF for system over 5 years (planning, technical assistance and construction)
- Higher cap of \$60,000 per connection for projects that address the most serious human health risks (Category A-C Projects)
- Category D-F Projects eligible for partial grant/PF up to \$45,000 per connection
- Smaller systems can receive up to \$2 M regardless of per connection cost
- Small non-DACs and expanded small DACs may be eligible for grant
- Private for-profit systems may be eligible for 100% planning grants for Category A-C or consolidation projects. Construction of consolidation projects are eligible for grant for work outside of private property and reasonable connection fees. The system owner's ability to pay will be considered for work on private property.

## Consolidation Incentive

The following incentives are available when a PWS fully consolidates one or more small water systems or extends service to one or more communities having at least 15 service connections. The incentives are available for a construction project that solely benefits the receiving PWS. Additional grant may be available for the actual consolidation project (see above and Appendix E of the IUP).

- Up to \$10 M in 0% loan
- Up to \$ 5 M grant/PF
  - Up to \$5,000 per connection for consolidating a small DAC
  - Up to \$10,000 per connection for consolidating a small SDAC

## ***Additional Supplemental Appropriations for Disaster Relief Act, 2019 (ASADRA)***

ASADRA became law on June 6, 2019 to provide additional funding for water and wastewater infrastructure to aid in recovery from specific natural disasters. The funds are available to help any DWSRF-eligible entity that was damaged, demonstrates an impact, or had a loss or disruption of a mission-essential function, including loss of function where there was potential impact to public health, from calendar year 2018 wildfires.

**Eligible Applicants:** Public water systems affected by the 2018 calendar year wildfires

**Eligible Projects:** Projects related to wildfire or earthquakes. For additional examples, refer to the May 2019, Memorandum of Understanding between U.S. EPA and FEMA regarding coordination pertaining to State Revolving Fund Programs [https://www.epa.gov/sites/production/files/2019-05/documents/mou\\_between\\_epa\\_and\\_dhs.pdf](https://www.epa.gov/sites/production/files/2019-05/documents/mou_between_epa_and_dhs.pdf)

**How and When to Apply:** Applications may be submitted at any time through FFAST (<https://faast.waterboards.ca.gov/>) and are evaluated on an ongoing basis. However, funding will be prioritized based on complete applications by September 30, 2020.

### **Financing Terms:**

- 30% PF
- 70% loan at zero percent (0%) interest
- Repayment will be over 30 years (40 years for DAC/SDAC) or useful life of project

## ***DWSRF Policy Amendment***

The [DWSRF Policy](#) was amended by the State Water Board on December 3, 2019. The major change made in the December 3<sup>rd</sup> Policy amendment was to streamline the final budget approval process to allow most recipients to draw construction funds without the need for a “Final Budget” amendment. This streamlined procedure includes finalizing project budgets during the application review step and establishing these final project budgets in the agreements from the outset which will minimize agreement amendments.