

**State of California
Regional Water Quality Control Board
Santa Ana Region
May 5, 2023**

Staff Report

Item: 10

Subject: Proposition 1 Groundwater Grant Program Funding – For Prevention and Cleanup of Contaminated Groundwater

BACKGROUND

Proposition 1 was passed by voters in November 2014 and provided \$900 million for a Groundwater Sustainability Program (Assembly Bill 1471, Chapter 10). The State Water Resources Control Board (State Water Board) will administer \$670 million¹ to prevent and cleanup contamination of groundwater that serves (or has served) as a source of drinking water. Contamination in groundwater is defined, and is typically tied to, exceedances of a primary maximum contaminant level or notification level. The funds are available as grants.

The State Water Board is setting aside \$144 million for projects serving disadvantaged communities (DACs)²/economically distressed areas (EDAs)³ and will ensure that at least \$72 million of those funds go to projects that serve severely disadvantaged communities (SDACs)⁴ (Water Code section 79774(d)).

The State Water Board adopted the Proposition 1 Groundwater Grant Program (GWGP) Guidelines on May 18, 2016, and adopted amendments to the Guidelines on December 19, 2017 and February 2, 2021. The State Water Board will consider further amendments to the Guidelines on May 2, 2023. Eligible projects fall under two general

¹ The State Water Board is charged with administering \$800 million of those funds. The Department of Water Resources (DWR) will administer the remaining \$100 million to fund projects that develop and implement groundwater plans. Of the original \$800 million allocation, \$80 million was available specifically for “treatment and remediation activities that prevent or reduce the contamination of groundwater that serves as a source of drinking water” (Water Code section 79772).

² DAC – means a community with an annual median household income that is less than eighty (80) percent of the statewide annual median household income (Water Code section 79702(j) which cross references to Water Code section 79505.5).

³ EDA – means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than eighty-five (85) percent of the statewide median household income, and with one or more of the following conditions as determined by DWR: (1) financial hardship; (2) unemployment rate at least two (2) percent higher than the statewide average; or (3) low population density (Water Code section 79702(k)).

⁴ SDAC – means a community with a median household income of less than sixty (60) percent of the statewide average. (Water Code section 79702(v) which cross references to Health and Safety Code Section 116760.20)

categories, planning and monitoring projects or implementation projects. Planning and monitoring projects include, but are not limited to, site assessment; site characterization; modeling; remedial investigation (RI); feasibility study (FS); monitoring and reporting plan; responsible party search; and preliminary engineering design. Implementation projects are intended to address groundwater cleanup or prevent the contamination of groundwater and will substantially reduce the contaminants in the drinking water aquifer. Examples of implementation projects are design, construction, pilot studies, initial startup of facilities, wellhead treatment, pump and treat, and groundwater recharge or injection.

The minimum local share match funds of 50 percent (%) is required for non-DACs. A reduced match is included for projects where 100% of the project benefits a DACs/SDACs or for the component(s) of the project that provides direct benefits to the DAC or EDA. Eligible grant applicants are public agencies, non-profit organizations, public utilities, federally recognized Indian tribes, California Native American Tribes, and mutual water companies. Funding occurs in three rounds (Round 1 Grant Agreement executions were completed in Fall 2018, Round 2 in Fall 2020, and Round 3 is expected to be complete in late 2023). Santa Ana Water Board staff within the Site Cleanup Program oversee seven grant funded projects within the Santa Ana Region (3 Planning and 4 Implementation), totaling approximately \$102 million in grant funds.

Santa Ana Water Board staff will present a background about the GWGP and provide an update on the various planning, monitoring and implementation projects within the Santa Ana Region. Staff will present information on the purpose of each project and acquired funding.

RECOMMENDATION:

This is an Informational Item – no action is required. The Board may direct staff to provide additional program updates and/or project specific updates.