PROPOSITION 1
WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014
(ASSEMBLY BILL 1471, RENDON)

- Authorized $7.545 billion in general obligation bonds for water projects
- The State Water Resources Control Board (State Water Board) will administer five programs:
  - Wastewater
  - Water Recycling
  - Drinking Water
  - Stormwater
  - Groundwater

PROPOSITION 1
FUNDING GUIDELINES

- Section 79706 requires creation of funding guidelines
  - Three public meetings through the state
  - Draft guidelines posted on internet at least 30 days prior
- Draft guidelines for Small Community Wastewater posted February 20, 2015
- For other programs, draft guidelines will be available at a later date, with additional workshops to come
- For more information, and to sign up for email notifications go to: http://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1.shtml

TOPICS FOR TODAY

- Small Community Wastewater
  - Review of and feedback on Draft Funding Guidelines
- Short Introduction to Funding Opportunities for:
  - Water Recycling
  - Stormwater
  - Groundwater
- Clean, Safe, and Accessible Drinking Water
  - Scoping Session for input on Draft Funding Guidelines

SMALL COMMUNITY WASTEWATER
PROPOSITION 1, CHAPTER 5, SECTION 79723

- $260 million to the Clean Water State Revolving Fund (CWSRF) Small Community Grant (SCG) Fund
- Governor’s proposed budget includes $77 million for State Fiscal Year (SFY) 2015/16
- State Water Board’s Division of Financial Assistance (Division) is proposing to use existing procedures for administering these grant funds

SMALL COMMUNITY WASTEWATER
PROPOSED PROCESS

- Utilize the CWSRF application and approval process, as described in the CWSRF Policy and CWSRF Intended Use Plan (IUP)
- Simplifies the funding process and allows grants to be easily combined with low-interest financing available through the CWSRF Program
- Applications accepted continuously
- Eligible projects are funded in the order applications are completed and approved

SMALL COMMUNITY WASTEWATER
PROPOSED PROCESS

- CWSRF IUP is generally updated on an annual basis
- The Draft SFY 2015/16 CWSRF IUP includes information regarding implementation of Section 79723 of Proposition 1
  - Grant eligibility and funding maximums outlined in Table 4
  - Written comments due Friday April 3, 2015, at noon
  - State Water Board consideration anticipated June 2015
- Following slides outline the proposed funding approach, as outlined in the Draft SFY 2015/16 CWSRF IUP
SMALL COMMUNITY WASTEWATER ELIGIBILITY AND FUNDING MAXIMUMS

- Grant funds for small (<20,000 persons), disadvantaged (median household income [MHI] <80% of statewide MHI) communities (small DACs)
  - Eligible Applicants:
    - Public agencies, 501(c)(3) non-profits, and tribes (including federally recognized and state tribes on the Native American Heritage Commission consult list)
  - Eligible Projects
    - CWSRF-eligible wastewater projects
    - Typically planning, design, construction of publicly-owned wastewater conveyance, treatment, and disposal facilities

<table>
<thead>
<tr>
<th>Eligible Applicants:</th>
<th>Public agencies, 501(c)(3) non-profit organizations, and tribes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Types:</td>
<td>CWSRF-eligible wastewater projects</td>
</tr>
<tr>
<td>Affordability Criteria</td>
<td>Grant Amount</td>
</tr>
<tr>
<td>Population &lt;20,000</td>
<td>Median Household income (MHI)</td>
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<tr>
<td>ANY</td>
<td>34.0%</td>
</tr>
<tr>
<td>Disadvantaged Community (DAC) with MHI &lt;80% of Statewide MHI</td>
<td>21.5%</td>
</tr>
<tr>
<td>Severely Disadvantaged Community (SDAC) with MHI &lt;60% of Statewide MHI</td>
<td>21.5%</td>
</tr>
<tr>
<td></td>
<td>22.0%</td>
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</tbody>
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SMALL COMMUNITY WASTEWATER ELIGIBILITY AND FUNDING MAXIMUMS

- Planning Projects
  - Wastewater planning activities, such as:
    - Feasibility/engineering studies
    - Environmental studies
    - Rate studies
  - Any small DAC (regardless of wastewater rates) may receive 100% of eligible planning costs as a grant, not to exceed $500,000
  - Planning grant disbursements will reduce the maximum construction grant amount accordingly

- Construction Grants, continued
  - Maximum grant amount may increase to $8 million for projects that either:
    - Connect previously unserved areas
    - Regionalize wastewater treatment works,
    - Reduce or prevent contamination of drinking water supplies

- Construction Grants
  - For small DACs with wastewater rates ≥ 1.5% of community’s MHI:
    - Standard grant is 50% of project costs up to $4 million
    - Small severely DACs (MHI < 60% of statewide MHI) start at 75% of projects costs up to $4 million
  - For small DACs with wastewater rates ≥ 2.0% of community’s MHI:
    - Maximum grant amount increases to $6 million and
    - Division may increase grant percentage to 100%, if community can’t afford loan repayment

* Special exception to allow grants for small non-disadvantaged communities with rates > 4% MHI
**SMALL COMMUNITY WASTEWATER SPECIAL CONDITIONS/NOTES**

- If the cost per household exceeds $25,000, construction funding is subject to State Water Board approval.
- If components for water or energy efficiency result in higher capital costs, the Division may approve the incremental increase in capital costs as additional grant.
- A single community may not receive cumulatively more than $8 million in grants in any given five year period.

**PROPOSITION 1 TECHNICAL ASSISTANCE**

- Up to 15% of the Proposition 1 funds available for drinking water and wastewater may be directed to a multi-disciplinary technical assistance program for small DACs and SDACs.
  - Division is working with stakeholders to determine the process for awarding and administering these funds.
  - Input or suggestions regarding the approach can be provided to the contact person provided on Slide 16.

**HOW TO APPLY**

Applications accepted online through Financial Assistance Application Submittal Tool (FAAST): [https://faast.waterboards.ca.gov/](https://faast.waterboards.ca.gov/)

- If this creates a hardship, technical assistance providers may be available to assist with electronic submittal.
- FAAST tutorials are available online: [http://www.waterboards.ca.gov/videos/faast.shtml](http://www.waterboards.ca.gov/videos/faast.shtml)
- Help Desk: 1-866-434-1083 or [FAAST_ADMIN@waterboards.ca.gov](mailto:FAAST_ADMIN@waterboards.ca.gov)

**SMALL COMMUNITY WASTEWATER: PROGRAM CONTACT**

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**QUESTIONS/COMMENTS**