

Proposition 1 Recycled Water Funding Workshop



Presentation by: Dan Newton, P.E.

Division of Financial Assistance



Topics for Today

- Program Background Slides 3 - 4
- Prop 1 Funding for Recycled Water Slides 5 - 10
- Leveraging SWRCB Funding Slides 11 - 13
- How to Apply Slides 14 - 17

Water Recycling Funding Program

The Water Recycling Funding Program offers grants and loans to local agencies to plan, design and construct water recycling facilities. Authorization is provided through:

- The Water Security, Clean Drinking Water, Coastal and Beach protection Act of 2002 (Proposition 50).
- The Seawater Intrusion Control Loan Fund (SWIC), and
- The Clean Water Bond Law of 1984 ('84 Bond)
- The Costa Machado Water Act of 2000 (Proposition 13),
- The Clean Water State Revolving Fund (CWSRF), and
- **The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1)**

Total Recycled Water Funding Provided by SWRCB

Funding Source	Construction loans	Construction grants	Planning grants	Research grants	Totals
1978 Bond Law	-	11.2 million	-	-	11.2 million
1984 Bond Law	49.7 million	-	-	-	49.7 million
1988 Bond Law	37.8 million	-	-	-	37.8 million
1996 Bond Law (Prop. 204)	1.8 million	-	-	-	1.8 million
1996 Bond Law (Prop. 13)	20.4 million	37.3 million	3.1 million	2.0 million	62.8 million
2000 Bond Law (Seawater Intrusion Control Loan Fund)					9 million
2000 Bond Law (Water Recycling)					1 million
2002 Bond Law (Prop. 50)	-	66.7 million	-	-	66.7 million
Clean Water State Revolving Fund (CWSRF)	1.3 billion	-	-	-	1.3 billion
2014 Bond Law (Prop. 1)					
TOTAL	\$1.4 Billion	\$153 Million	\$6.8 Million	\$4.3 million	\$1.56 Billion

251
Distinct projects that received SWRCB funding, partial or in whole.

406,708 AFY
Volume of recycled water proposed by SWRCB funded projects.

Proposition 1 Funding Matrix

Funding Program	Funding Amount	Draft Guidelines	Public Workshops	Final Guidelines	Funding for Projects Anticipated in State Fiscal Year 2015/16?	Which Email List Should I Sign up for?	Contact
Water Recycling	\$625 million*	Feb-15	Apr-15	Jun-15	Yes	Water Recycling Funding Program	Dan Newton Ph: (916) 324-8404
Small Community Wastewater	\$260 million	Feb-15	Mar-15	Jun-15	Yes	Clean Water State Revolving Fund	Meghan Tosney Ph: (916) 341-5729
Drinking Water	\$260 million	Apr-15	May-15	Aug-15	Yes	Drinking Water State Revolving Fund	Dat Tran Ph: (916) 449-5644
Stormwater	\$200 million	Apr-16	May-16	Jun-16	No	Stormwater Grant Program (Proposition 84)	Joe Karkoski Ph: (916) 341-5618
Groundwater Sustainability	\$800 million**	Apr-16	May-16	Aug-16	No	Groundwater Funding	Joe Karkoski Ph: (916) 341-5618

*Proposition 1 authorized \$725 million; Department of Water Resources (DWR) will administer the remaining \$100 million for desalinization projects.

** Proposition 1 authorized \$900 million; DWR will administer the remaining \$100 million to fund projects that develop groundwater management plans

Proposition 1

Recycled Water Funding

- \$625 million is proposed for recycled water funding (administered by SWRCB) with the remaining \$100 million for desalination (administered by DWR).
- Funding will be used to promote use of treated municipal wastewater to offset and augment state/ local fresh water supplies.
- In general, the funding will be allocated to the State Water Board as:
 - 50% for loans (~\$300 million)
 - 50% for grants (~\$300 million)

Program Guidelines

Planning Grants

Existing

Proposed

Planning Grants

- **State Share: 50%**
- **Maximum Grant:
\$75,000**

- **State Share: 75%**
- **Maximum Grant:
SAME**

Program Guidelines

Construction Financing

Existing

Proposed

Construction Financing

- **Interest:** 1/2 General Obligation Bond Rate
- **Term:** 20 year
- **Allowance:** 15% of the eligible financing amount for design and construction allowances

- **Interest:** 1/2 General Obligation Bond Rate*
- **Term:** 30 year
- **Allowance:** Follows the CWSRF Policy

* 1% financing available through CWSRF for a limited time

Program Guidelines

Construction Grants

Existing

Proposed

Construction Grants

- **State Share:** 25%
- **Maximum Grant:** \$5,000,000
- **Allowance:** 15% of the eligible grant amount for design and construction allowances

- **State Share:** 35% (40% for SDAC)
- **Maximum Grant:** \$15,000,000 (\$20,000,000 for SDAC)
- **Allowance:** 15% of the eligible grant amount for construction management, contingency, and other construction allowances

Water Recycling Funding Program Guidelines

- The draft amended Water Recycling Funding Program guidelines and the proposed plan to implement Proposition 1 Water Recycling funding were posted on Thursday, March 12th.
- Stakeholders will have the opportunity to provide State Water Board staff with feedback and input on the draft guidelines.
- Comments are due Friday April 24, 2015.
- Anticipate presenting draft Guidelines to the State Water Board in June 2015. Implementation would begin in July 2015 if approved by the Board.

Grant Equivalency with Loan Financing

Loan-Grant Equivalency

State vs Market Rates

\$1 million loan, 30 year term, 5% discount factor

		State Loan Rate (Prop 1 and CWSRF)					
		0%	1%	2%	3%	4%	5%
Market Rate	2%	17%	9%	0%	-10%	-20%	-31%
	3%	27%	19%	10%	0%	-10%	-22%
	4%	38%	29%	20%	10%	0%	-11%
	5%	49%	40%	31%	22%	11%	0%
	6%	60%	52%	43%	33%	23%	12%
	7%	73%	64%	55%	45%	35%	24%

Leveraging Funding

WRFP Grant and CWSRF

Construction

Costs:

\$10 Million \$50 Million \$100 Million \$200 Million \$1 Billion

WRFP Grant:

\$3,500,000 \$ 15,000,000 \$15,000,000 \$15,000,000 \$15,000,000

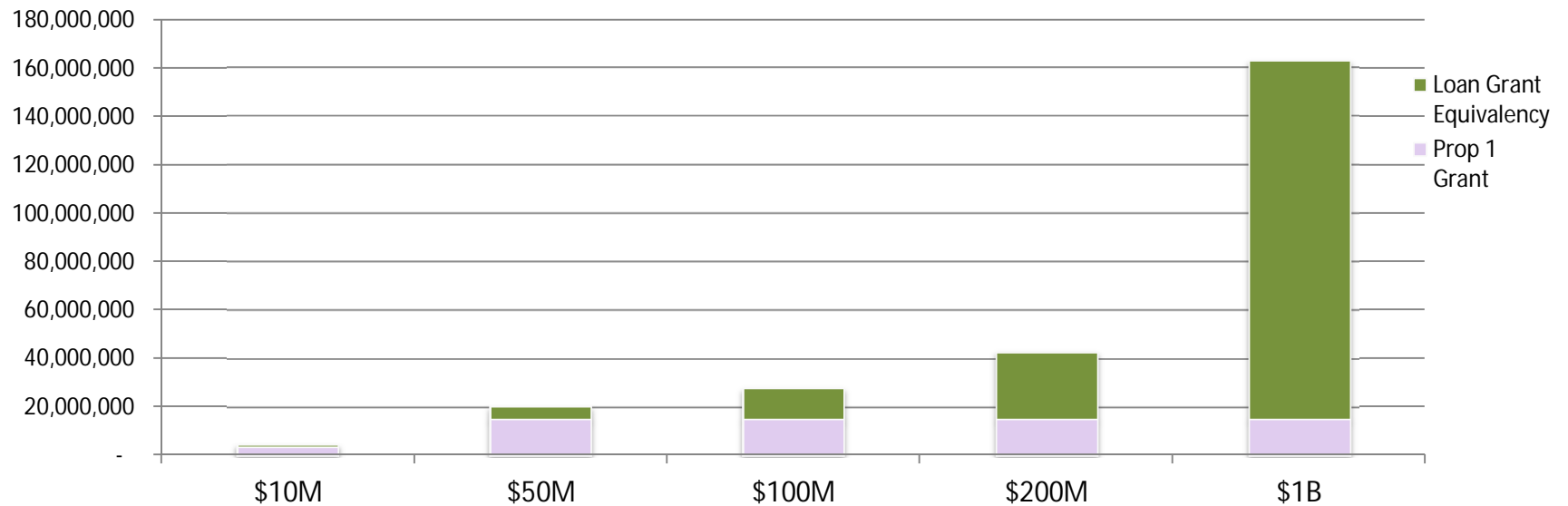
Loan-Grant Equivalent:

Agency Rate: 3.5%

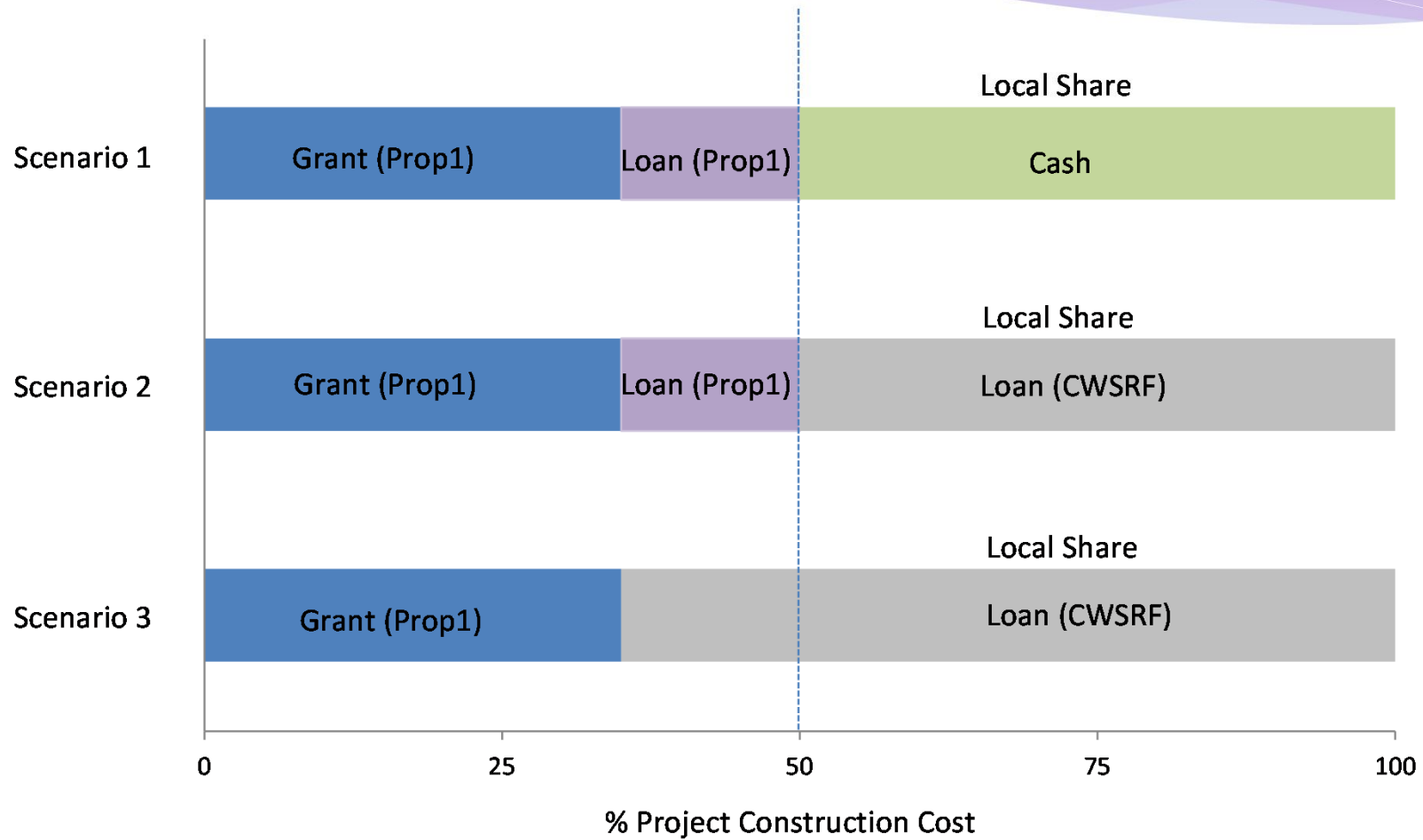
\$975,000 \$5,250,000 \$12,750,000 \$27,750,000 \$147,750,000

Total Subsidy:

\$4,475,000 \$20,250,000 \$27,750,000 \$42,750,000 \$162,750,000



Leveraging Funding Local Contribution



Prop 1 Eligible Applicants

Eligible applicants include:

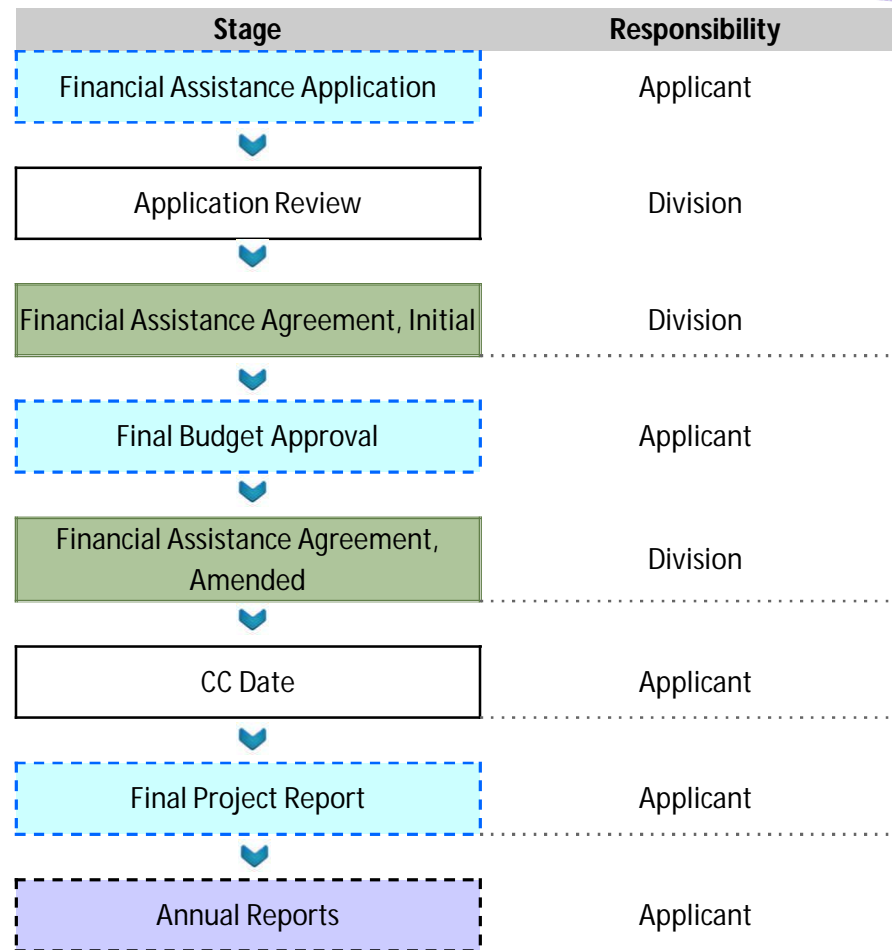
- Local public agencies
- Privately owned water utilities regulated by the Public Utilities Commission
- Non-profit organizations
- Federally recognized Indian Tribes
- State Indian Tribes listed on the Native American Heritage Commission's California Tribal Consultation List
- Mutual Water Companies

(note: may not apply to all funding sources)

Process

- Division of Financial Assistance (DFA) will utilize a single application.
- Streamlines the funding process and allows water recycling grants/ financing to be easily combined with other funding sources administered by DFA.
- Applications will be accepted continuously.
- Eligible projects are funded in the order application are completed and approved.

Funding Flowchart



HOW TO APPLY

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

- FAAST tutorials are available online:
<http://www.waterboards.ca.gov/videos/faast.shtml>
- Help Desk: 1-866-434-1083 or FAAST_ADMIN@waterboards.ca.gov
- Additional application details are available online:
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/proposition1_funding.shtml

Apply Now!

Thank you

Dan Newton

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