

Budget Act of 2021 Allocation for Wastewater Infrastructure Projects

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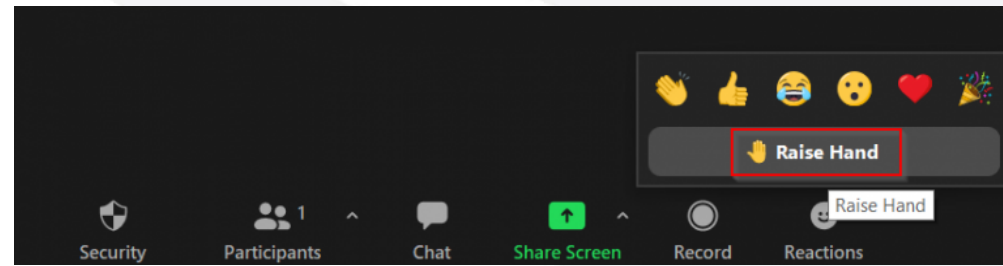


October 20, 2021

Ways to Participate

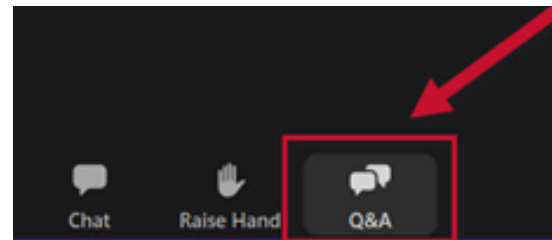
Panelists

- Raise Hand



Attendees

- Q&A



Meeting Logistics

- This meeting is being recorded
- Panelists, please mute yourself when not speaking
- Make sure your screen name reflects your actual name
- Please rejoin the meeting if you get disconnected
- If you need technical assistance, email OPP-Contact@waterboards.ca.gov or use Q&A
- Take breaks as needed

Wastewater Funding Stakeholder Meeting Agenda

Time	Topic
10:00 AM	Welcome and Meeting Logistics
10:10 AM	Funding Background
10:20 AM	Funding Proposal Discussion
11:35 AM	Additional Q&A
11:55 AM	Next Steps & Stay Informed
12:00 PM	Adjourn

Budget Act of 2021 – State Water Board Allocations

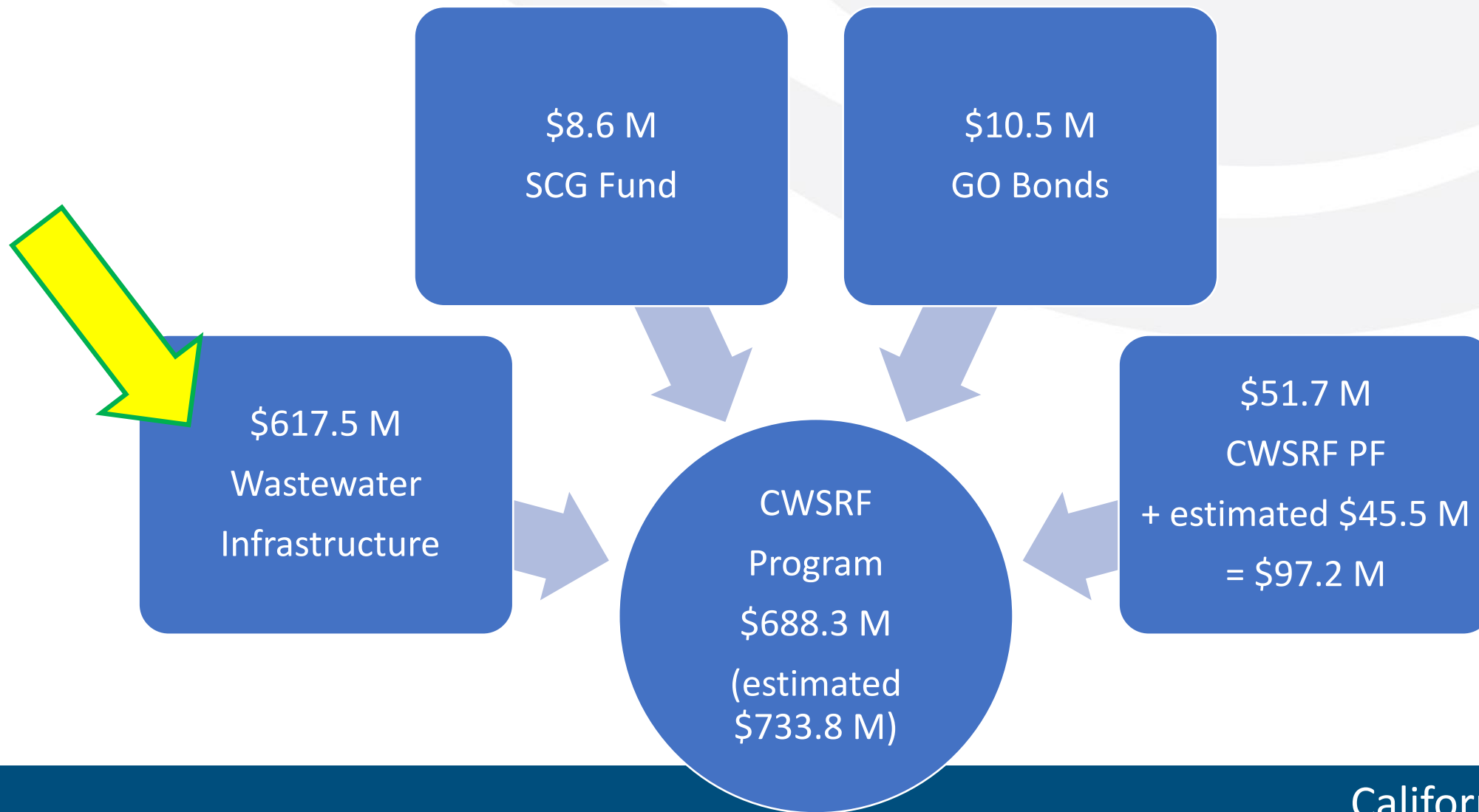
Allocation (Millions)	Project Type
\$650	Wastewater projects <i>*priority to septic-to-sewer conversions</i>
\$650	Drinking water projects <i>*priority to disadvantaged communities (DACs)</i>
\$30-100	Per-and polyfluoroalkyl substances (PFAS) support for water systems
\$150-350	Groundwater cleanup and water recycling projects
\$20	Mexico border rivers
\$	Other project-specific/directed allocations

Budget Act of 2021 – Wastewater Allocation

- Up to 5% for Administrative Costs
 - Leaves \$617.5 M for grants
- Up to 10% for Technical Assistance and Capacity Building in DACs
- Must be Encumbered by June 30, 2024
- Must be Liquidated by June 30, 2026
- Resolution No. 2021-0030, August 18, 2021
 - Authorized DFA to encumber up to \$100 M of wastewater allocation
- Remainder to be addressed in separate resolution early 2022

FY 2021-22

Grant / Principal Forgiveness (PF) Wastewater Funds Clean Water State Revolving Fund (CWSRF)



Current CWSRF Intended Use Plan Criteria Small Communities

		Grant Amount		
Community MHI	WW Rates as % of MHI	Grant % of Eligible Project Cost	Max Grant Per Project	Max Cost Per Household Per Project
Non-DAC	4%	50%	\$6 M	\$30,000
DAC	≥1.5%	75%	- or - \$10 M	- or - \$75,000
SDAC	N/A	100%	Septic to Sewer/ Regional	Septic to Sewer/ Regional

MHI = Median Household Income, SDAC = Severely DAC

Planning grant/PF amount for project subtracted from max eligible construction grant/PF.

\$12 M max per community over 5-year period.

Active Applications Submitted / In House

Small DAC Septic to Sewer (\$198.8 M)

- 14 Construction (\$193.7 M)
- 3 Planning (\$0.9 M)

Other Small DAC Wastewater (\$255.6 M)

- 38 Construction (\$243.6 M)
- 29 Planning (\$12 M)

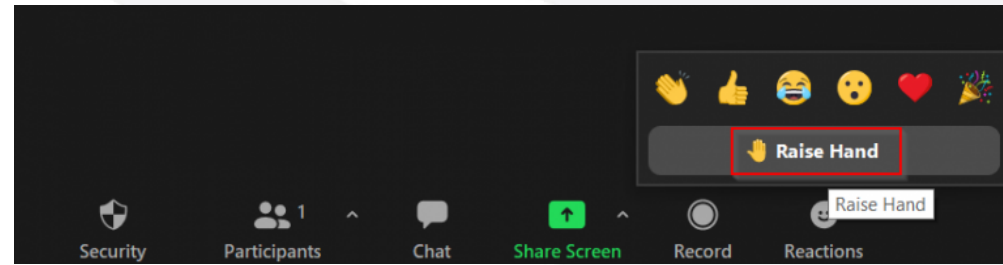
Wastewater Allocation Outline for Input

1. Broaden grant criteria in the CWSRF IUP?
2. Septic-to-sewer set aside?
3. Grant funding for non-DACs?
4. Technical Assistance?
5. Other suggestions or input?

Ways to Participate

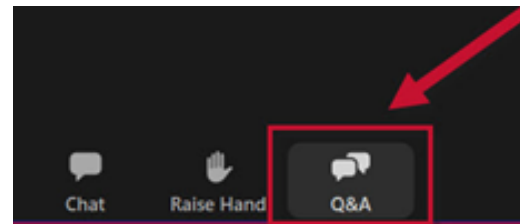
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Broaden Existing Grant Criteria in IUP?

1. **Eliminate Max per Project & Focus on Max per Connection?**
2. **Planning**
 - A. **Follow Existing IUP - \$500K per community per project?**
 - OR
 - B. **No Max - Planning Costs Count Towards Total Grant per Connection Over 5 Years?**
3. **Construction**
 - A. **Per Connection Limits**
 - 1) **Septic-to-Sewer: Increase caps from \$75k/connection to \$100k/connection?**
 - 2) **Other: Increase caps from \$30k/connection to \$45k/connection?**
 - B. **Grant %**
 - 1) **SDACs currently eligible for 100% grant regardless of wastewater rates**
 - 2) **DACs required to have wastewater rates > 1.5% of their MHI to get 75% grant**
 - a) **Keep the same?**
 - b) **Should DACs be eligible for up to 100% grant?**
 - c) **Should DACs be eligible regardless of how high wastewater rates are?**

Septic-to-Sewer Set-Aside? Pt.1

1. Create set-aside for septic-to-sewer projects?
2. Open set-aside to larger or non-DAC projects?
3. Is \$350 M a good set-aside amount?

Septic-to-Sewer Set-Aside? Pt. 2

If larger or non-DAC projects are eligible for set-aside, it could result in an influx of larger ready-to-proceed applications.

1. Have set solicitation process for these entities?
 - Example:
 - Fall 2022 for concept deadline
 - Invite back eligible projects
 - Spring 2023 to complete full application
 - Construction start by spring 2024
 - Complete by end of 2025
2. Reserve portion of set-aside for small DAC septic-to-sewer projects to fund on continuous basis?

Grant Funding for Larger or Non-DAC?

1. If septic-to-sewer set-aside is open to larger communities or non-DACs:
 - a) Should grant criteria be more conservative for those projects to help spread funds to multiple agencies?

2. Different caps?
 - a) \$25 million cap per project?
 - b) \$50k/per connection cap?

3. Different grant percentage?
 - a) 50% grant eligible?

Technical Assistance?

Up to 10% of the wastewater funds may be used for technical assistance (TA) and capacity building in DACs

1. \$10M for project-specific TA may include:
 - a) Help to move advanced projects to complete construction application by early 2023
 - b) Help to move less developed projects through entire planning phase or to complete planning application

2. Should funds be used to complete a statewide needs assessment?
 - a) Focus on septic-to-sewer
 - b) Focus on both septic-to-sewer and other wastewater needs?
 - c) Who should complete this work?

3. Other TA needs?



Other Input or Questions?

Tentative Next Steps

December 2021: Public Workshop

February 2022: Board Adoption of Proposed Criteria

Stay Informed

➤ Subscribe for email updates at:

www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html

- Click on “Financial Assistance”
- Check box titled “Clean Water State Revolving Fund”

➤ Updated information on the wastewater Infrastructure Appropriation will be in the “What’s New” section on the CWSRF Program webpage:

https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/