



California Drinking Water Funding Programs

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Purpose



CDPH has funding available for **public water systems** to correct and upgrade **drinking water infrastructure**.

- A **public water system** is a community water system serving more than 15 service connections, or a non-community water system serving more than 25 people more than 60 days per year.
- **Drinking water infrastructure** includes wells, pumps, storage tanks, treatment facilities, surface water intakes, pipes, and other components of a water system up to and including the service connection or water meter.

CDPH Funding Programs

- Prioritization for all programs is based on **risk to public health**
 - System must be a public water system that is in violation of a State or Federal drinking water regulation
 - Proposed project cannot fund excess capacity for growth
 - Proposed Project can include capacity for other existing demands in service area if other funding is available

Drinking Water Funding Programs

- Safe Drinking Water State Revolving Fund
Reduced to \$86.7 million

Federal Funds; Public water systems; low interest LOANS; construction or studies; may include partial grant funding

- Prop 84 (**\$300 million**)

Emergency projects; Chemical contamination or boil water orders affecting small community water systems and public schools; Projects to prevent or remediate contamination of groundwater that serves as a source of drinking water; GRANT program (**Note: last round of projects invited for funding April 2011**)

- Prop 50 (**\$485 million**)

Community water systems, 8 different GRANT programs, requires local match, smaller and disadvantaged communities exempt from local match requirement. (**Note: this program is no longer accepting funding applications**)

- ARRA (**\$160 million**)

(American Recovery and Reinvestment Act, AKA “Economic Stimulus”); GRANTS and loans to “Ready to Proceed” construction projects (**Note: this program is no longer accepting funding applications**)

Universal Funding Pre-application

- CDPH now uses a “Universal pre-application” – an Internet online process
- Each pre-application evaluated to determine funding programs it matches
 - Annually, each pre-application is evaluated to determine appropriate funding programs
 - Projects are ranked on the **PROBLEM** to be addressed, not the proposed project
 - Eligible pre-applications are incorporated on to Project Priority Lists (**PPLs**)

Safe Drinking Water State Revolving Fund

- The SDWSRF has been operating for over 10 years
- CDPH currently receives a federal capitalization grant of \$126 million per year (~10% of national amount) (now \$86 million FY 2011-12)
 - In 2009/10 we issued:
 - \$156 million in SDWSRF funding agreements
 - \$150 million in ARRA funding agreements
 - CA is required to provide a 20% state match
- Loan repayments of principal and interest have reached over \$40 million per year
- CA is allowed to take set-asides to administer the program, assist small water systems, conduct related state activities, and 3rd-party contracts (18.34% total)
 - SDWSRF supports 67.5 FTE

Health Risk Categories

High Health Risk

Category	Description
A	Documented waterborne disease outbreaks; court orders for repair
B	Microbial contamination
C	Unfiltered surface water; wells with fecal contamination.
D	Surface Water Treatment violations including open reservoirs
E	Water outages (includes severe source-transmission deficit)
F	Nitrate - perchlorate contamination; chronic Total Coliform Rule violation
G	Distributed water exceeds chemical or radiological MCL

Health Risk Categories

Category	Description
H	Non-rigid covered reservoirs; meters (for unmetered systems)
I	Cryptosporidium Action Plan
J	Sewage threats
K	Disinfection
L	Action level; future MCL; standby source; chronic Iron/Manganese
M	Other Waterworks Standards; Technical, Managerial or Financial (TMF) deficiencies
N	Other Secondary Standards
O	Other deficiencies

New SDWSRF Procedures

- To increase pace and efficiency, we have implemented a two tier funding process
- **Tier 1: Construction Projects**
 - Projects “Ready to Proceed” to construction
 - Completed plans, specifications, technical evaluation, and environmental documentation
- **Tier 2: Planning Projects**
 - Projects that need funds to become “Ready to Proceed”

SDWSRF Financial Assistance Conventional Long Term Loans Tier 1

- 20 year payback
- Subsidized interest rate
 - 1/2 the General Obligation bond rate
 - 0% interest possible for disadvantaged communities
- \$20M max / yr / project
- \$30M max / yr / entity
- Up to 80% grant for disadvantaged communities (not for privately owned systems)

SDWSRF

Short Term Planning Funding Tier 2

- 5 year payback
- Subsidized interest rate
- \$500,000 max / project*
- Possible grant funding for planning
- Upon completion of planning "study" --
 - submit construction application
- Construction funding by SDWSRF is evaluated separately

SDWSRF

Help for Disadvantaged Communities

- Disadvantaged Communities [public entities and mutual water companies] are eligible for SDWSRF grants
- To qualify for a grant:
 - Applicant community (service area) MHI is "disadvantaged" (< 80% state MHI)
 - Evaluate impact of project funding with SDWSRF 0% interest rate loan
 - If water rate to customers would exceed 1.5% of MHI after project completion (including operating expense) SDWSRF will offer grant funds up to \$3 million

2010 Figures

SRF Interest Rate:

- 2.30% for 2011
- 2.57% for 2010
- 2.50% for 2009

State Median Household Income (MHI):

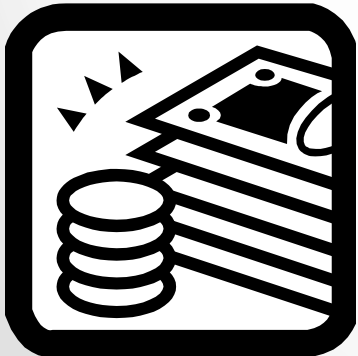
- \$60,133

Disadvantaged Community Status:

- 80% of State MHI: \$48,106 or less

A Fully Funded Project

- System **must** demonstrate it has a fully funded project, or CDPH will not provide funding
- CDPH Infrastructure Funding Goal
 - Project that resolves the problem that was ranked in the priority list
 - Water system with Technical, Managerial and Financial capacity to achieve and maintain compliance with safe drinking water requirements



3rd Party Contractors

Direct Technical Assistance for Small Water Systems

Technical, Managerial, and Financial Assistance
Fill out applications for CDPH Funding Programs
Median Household Income Surveys
Training
Operator Certification Training
CEQA and NEPA assistance

Go to the CDPH - Capacity Development Website:

<http://www.cdph.ca.gov/certlic/drinkingwater/Pages/TMF.aspx>

Drinking Water Funding Program

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California Finance Coordinating Committee (CFCC)

Funding Fairs Statewide Common Inquiry Form

www.cfcc.ca.gov

CFCC Members



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