

CALIFORNIA DEPARTMENT OF PUBLIC HEALTH
PROPOSITION 84 SECTION 75025 GRANT PROGRAM

FREQUENTLY ASKED QUESTIONS (FAQ)

Notice of Intent Requirement

My entity plans on submitting an application to be considered for PRC Section 75025 funding. Is a Notice of Intent (NOI) required to be submitted, and what will happen if I miss the submittal deadline?

A NOI is required from all entities planning to submit an application for funding. If an entity misses the NOI submittal deadline, it will not be considered for funding.

Maximum Grant Amount

I plan to submit an application for a regional project that includes three water systems. What is the maximum grant amount this project can receive?

The maximum Section 75025 grant amount is \$10 million per applicant. Each separate legal entity that is a part of the regional project may submit a separate application for funding different portions/phases of a regional project. Applicants must also be a legal entity with authority to enter into an agreement with CDPH and implement the proposed portion or phase of the project.

Complete Environmental Documentation

I plan to submit an application, what is meant by complete environmental documentation?

Complete environmental documentation includes a final CEQA document that has been submitted to the state clearinghouse and has already been approved and adopted by the CEQA Lead Agency. The Notice of Determination or Notice of Exemption must accompany all CEQA documents along with proof that the lead agency has paid their environmental filing fees. Further, the statute of limitations must have expired to ensure that the project is not subject to legal dispute.

Effect of Assembly Bill (AB) 1420 on Section 75025 Funding

Is Proposition 84 Section 75025 funding, that is administered by California Department of Public Health (CDPH), subject to the requirements of AB 1420?

September 30, 2009

No. AB 1420 is intended for water management funding administered by Department of Water Resources, State Water Resources Control Board, and the California Bay-Delta Authority.

Cost Recovery

If my entity recovers costs from a responsible party, can that funding be used for a separate project, such as a treatment system installation or operation and maintenance costs?

Senate Bill 732 [Public Resources Code (PRC) 75101 (a)(1)] requires CDPH to develop and adopt regulations regarding cost recovery procedures. It is still premature to determine how the final, adopted regulations will affect applications funded by PRC Section 75025.

Eligibility of Construction Costs

Since state bond funding is currently frozen, and CDPH can not issue Funding Agreements, could an entity move forward on project construction before a Funding Agreement is executed? Would these construction costs be reimbursable?

If an entity starts construction before a Funding Agreement is executed, they do so at their own risk. In addition, any construction costs incurred prior to execution of a Funding Agreement are not eligible for reimbursement as described in the criteria.

Cost Effectiveness Evaluation

Given the short time frame to submit an application, why is a cost effective analysis and TMF analysis required?

These analyses are needed to ensure state funding is awarded to applicants that have selected the most cost effective alternative and to ensure that applicants can continue to operate and maintain a project funded with a state grant. The required TMF elements are Ownership, Budget, Water Rights and Consolidation. Information about this can be found on the following website:

<http://ww2.cdph.ca.gov/certlic/drinkingwater/Pages/TMF.aspx>

“Ready to Proceed” Requirement

My system is considered a disadvantaged community and does not have the upfront funding to meet the “Ready to Proceed” requirements. Can these requirements be waived for disadvantaged communities?

September 30, 2009

CDPH included the “Ready to Proceed” criteria because Senate Bill X2 1 requires that \$50.4 million in funding from Section 75025 be available for immediate projects and be encumbered by June 2010.

Anthropogenic Source of Contamination

The eligibility criteria specify that the project must address an anthropogenic source of contamination. Why are projects that address a naturally occurring contaminant ineligible?

Proposition 84 Section 75025 specified that eligible projects must “prevent or reduce that contamination of groundwater that serves as a source of drinking water”. Treatment (or remediation) projects that remove naturally occurring contaminants in groundwater will not prevent or reduce that contaminant from continuing to occur. Therefore in order to meet the intent of Proposition 84 Section 75025, CDPH’s believes that only projects that address anthropogenic (caused by humans) sources of contamination will effectively reduce or prevent contamination.

Specific Eligibility Criteria

1. I plan to submit a project that meets the one of the five eligibility criteria. Is this an eligible project?

No. In order to be considered eligible for funding, a project must meet all five of the specific eligibility criteria.

2. Our water system’s current supply is 85% purchased treated water from the Sacramento/San Joaquin Delta. It appears that my water system is not eligible for funding. Why does the eligibility criteria specify that the affected groundwater must supply at least one-third of a community’s drinking water supply?

This requirement is from SB X2 1, which requires CDPH to fund projects where the affected groundwater serves as a major source of drinking water for a community. The above system may be eligible, if they can show that the affected groundwater has historically supplied at least one-third of its drinking water supply or the aquifer has the capacity to supply at least one-third of its drinking water.