

Water Board Groundwater Quality Funding Programs

PROPOSITION 1 GROUNDWATER SUSTAINABILITY PROGRAM PROPOSED SCOPE OF GUIDELINES MEETING

November 16, 2015 – Sacramento

November 18, 2015 – Fresno

November 20, 2015 – Los Angeles

Agenda

- Introductions / Agenda Review
- Purpose
- Background
- Funding Process Overview
- Requirements and Policy Issues
- Next Steps (Schedule)

Definitions of Acronyms

- ◆ Disadvantaged Community (DAC) – Community with a median household income (MHI) **less than 80%** of the statewide average
- ◆ Economically Distressed Area (EDA) – Any of the following:
 - ◆ Community with a population of 20,000 persons or less, a rural county, and/or a reasonably isolated and divisible segment of a larger community where the segment of the population is 20,000 persons or less; **with the following:** Annual median household income that is **less than 85%** of the statewide MHI **with one or more of the following:** Financial hardship, unemployment rate at least 2% higher than the statewide average, and/or low population density
- ◆ Financial Assistance Application Submittal Tool (FAAST) – of Division of Financial Assistance (DFA)
- ◆ Site Cleanup Subaccount Program (SCAP) – established by Senate Bill (SB) 445
- ◆ Severely Disadvantaged Community (SDAC) – a community with an MHI **less than 60%** of the statewide average

Definitions of Acronyms

- ◆ AB – Assembly Bill
- ◆ CEQA – California Environmental Quality Act
- ◆ DDW – Division of Drinking Water, State Water Board
- ◆ DTSC – Department of Toxic Substances Control
- ◆ DWQ – Division of Water Quality
- ◆ GW – groundwater
- ◆ RB – Regional Water Quality Control Board (Regional Board)
- ◆ RP – Responsible Party(ies)
- ◆ SB – Senate Bill
- ◆ TMF – technical, managerial, financial
- ◆ US EPA – US Environmental Protection Agency

Purpose

- Provide project solicitation and evaluation criteria for the Groundwater Sustainability Grant Program (GW Grant Program)
- Solicit feedback on proposed scope of the Draft Guidelines
- Consider how proposed scope will impact projects funded through Proposition 1

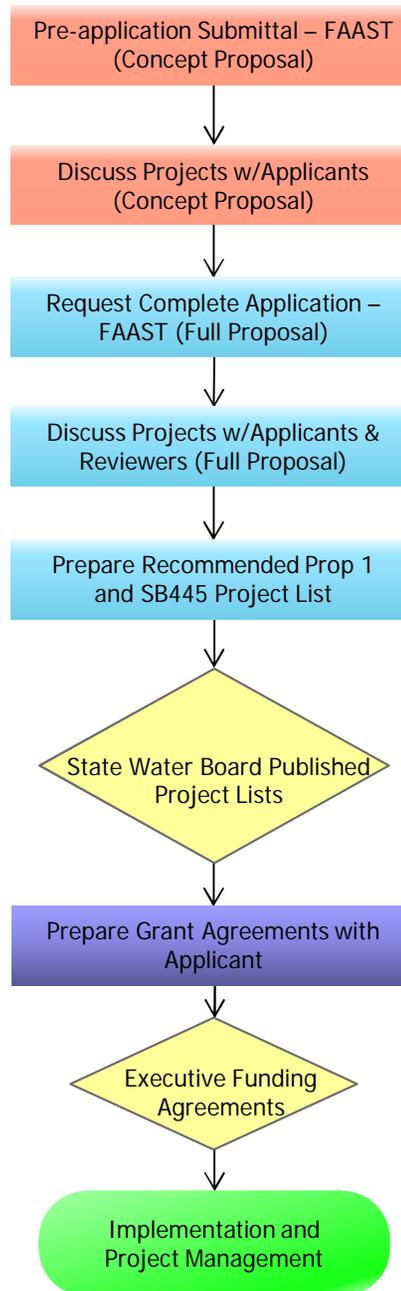
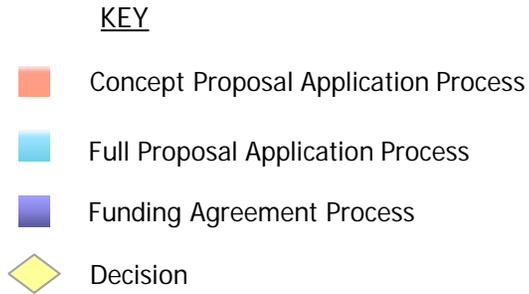
Background

- Water Quality and Improvement Act of 2014 (commonly referred to as Proposition 1, or Prop 1) (AB 1471, Ch. 10)
- Allocates \$800 million for prevention and cleanup of contaminated groundwater that serves or has served as a source of drinking water
- Grants will administered through the FFAST
- Planning Grants – 10% (up to \$80 million) for “... planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized...”.
- Implementation Grants – allocated for “... projects to prevent or cleanup the contamination of groundwater that serves or has served as a source of drinking water.”
- Scoping Meetings held in June 2015 in Fresno, Los Angeles, Orange County, and Sacramento; Collaboration Meetings held with Regional Boards (RBs), DDW and DTSC in August 2015

Background

- ◆ Submitted Pre-applications include these types of projects:
 - ◆ Bio-remediation system with extraction wells for treatment of Perchlorate and Nitrate
 - ◆ Granular activated carbon (GAC) groundwater extraction treatment system for volatile organic compound (VOC) plume
 - ◆ Well profiling
 - ◆ Prevent contamination (nitrate) via detention basin and spreading grounds
 - ◆ Nitrate treatment study
 - ◆ Investigation and well head treatment
 - ◆ Fate and transport modeling (Basin-wide)
 - ◆ Groundwater monitoring (groundwater contamination prevention)

Generalized Groundwater Quality Funding Program Process



Note: Process may be adjusted as needed.

Funding Process Overview

1. Pre-application Review (conceptual proposal)
2. Final Application Review (detailed work plan, budget and schedule)
3. Competitive Scoring/Ranking of Projects
4. Preliminary Award (funding commitment)
5. Grant Agreement Development (site access, RP search, legal issues, etc.)
6. Execute Grant Agreement

Pre-Application Review

- ◆ A Pre-application completeness review by the Division and local regulatory agencies (technical team) will include the following:
 - ◆ Determine the appropriate funding pot: Site Cleanup Subaccount; Prop 1 Groundwater; Drinking Water State Revolving Fund
 - ◆ Review proposed scope, budget, and schedule of the project; determine if any modifications are necessary (request changes as necessary)
 - ◆ Confirm with regulatory agencies that proposed project will address groundwater contamination that is a high priority and a major source of drinking water
 - ◆ Review RP search information provided by applicant, determine if all available information was provided (cursory review)
 - ◆ Eligibility review (are the project and applicant eligible?)
 - ◆ This task is completed by Division staff

Final Application Review

- ◆ Final Application submitted by applicant (**Division Staff will provide a Final Application Solicitation Package after the Guidelines are finalized**)
- ◆ Detailed review of the workplan, budget, and schedule (Are the prioritization criteria listed in Water Code § 79771 addressed, and are program preferences addressed?)

Competitive Scoring of Implementation and Planning Proposals

- ◆ Scoring criteria for implementation and planning proposals will focus on evaluating the technical merits of project and program preferences
- ◆ Technical team (RB, DWQ, DDW and DFA Staff)
- ◆ Technical Merits/Program Preferences
 - ◆ Benefits the largest number of people, per dollar spent
 - ◆ Project goals are achievable in short-term/long-term
 - ◆ Leveraging of funds (private, federal, or local funds)
 - ◆ Uses new/innovative technologies
 - ◆ Feasibility of project
 - ◆ Provides multiple benefits/ addresses a public health threat
 - ◆ Removes the most contamination in the shortest period of time
 - ◆ Supports Human Right to Water

Preliminary Award

- A Preliminary Award funding list will be submitted to the Executive Director (or the Deputy Director) based on technical team evaluation
- Executive management reviews/takes one of these actions:
 - Award the project consistent with recommendations provided by the technical team
 - Award the project but award a different amount than recommended by the technical team
 - Do not award the Project
 - Award project not recommended by technical team

Grant Agreement Development/Grant Agreement Execution

- ♦ Applicant provides any additional documentation not provided in the Final Application and Division staff look in more detail at the following:
 - ♦ Review RP information and assess ability and/or willingness to pay (unique Groundwater Quality Funding issue)
 - ♦ Review of the TMF capacity of the applicant to operate and maintain the project for the applicable life of the project
 - ♦ Review of CEQA/environmental documentation
 - ♦ Review of legal issues that may affect the outcome of the project - (e.g., site access, pending litigation regarding cleanup)
 - ♦ Confirm the technical feasibility of the project

Grant Agreement Development/Grant Agreement Execution (cont.)

- Applicant provides any additional information regarding
 - Access agreements
 - Any legal issues that may impact implementation or outcome of the project
- Division staff work with applicant to make any necessary adjustments to the scope, budget, or schedule and collaborates with regulatory agencies as necessary
- The State Water Board executes the Grant Agreement with the Grantee and funds will be awarded.

Requirements and Policy Issues.....

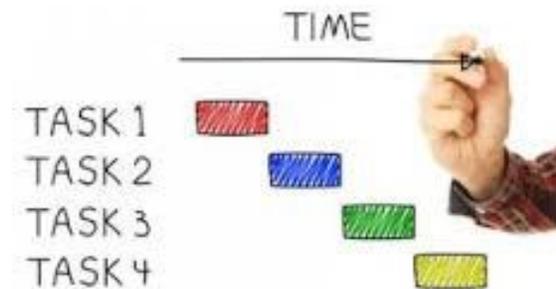
Eligible Applicants

- All applicants defined in Water Code (WC) § 79712 (a):
 - Public agencies
 - Public utilities
 - State and federally recognized tribes
 - Non-profit organizations
 - Mutual water companies

Eligible Projects - Planning

Typical **planning** projects that will be eligible for funding

- Site Assessment
- Site Characterization
- Remedial Investigation
- Feasibility Study (Clean-up Alternatives Evaluation)
- Monitoring and Reporting Program
- Responsible Party Search



Eligible Project - Implementation

Typical **implementation** projects that will be eligible for funding

- ◆ Remedial Action Plan & Construction
- ◆ Pilot Testing
- ◆ Well Installation
- ◆ Corrective Action Plan
- ◆ System Installation Report
- ◆ Operation and Maintenance Plan
- ◆ Monitoring and Reporting Plan

Match Requirements

- Funding match of at least 50% required (Water Code § 79774 (b))
- Funding match for DACs/EDAs will be waived or reduced based on the Board's evaluation of ability to pay
- At least 10% (\$80 million) of funding will be allocated for projects that serve Severely Disadvantaged Communities
- The Final Application Solicitation Package will provide guidance on how applicants can request a reduction in or waiving of cost sharing

Grant Amounts/Schedule

- No set maximum funding limits for first round of funding for implementation. Proposed \$1 million grant cap for planning grants
 - Final Application Solicitation package will inform applicants of minimum or maximum funding limits after the first round funding is allocated
- Planning grant funding will go out as early as feasible

Technical Assistance/DAC Set-aside

- ◆ Initial set-aside \$10 million to provide technical assistance for DACs, SDACs, and EDAs
- ◆ DAC/SDAC Set-aside - \$160 million (proposed)
- ◆ Technical assistance program will be run out of DFA's Office of Sustainable Water Solutions
- ◆ Technical assistance will include, but not be limited to:
 - ◆ Preparation of Pre-applications/Final Applications
 - ◆ Assistance in assessment of the scope of contamination
 - ◆ Initial assessment of potential cleanup options
 - ◆ Legal assistance
 - ◆ Organization formation and managerial assessment and assistance
 - ◆ Technical training

Regulatory Agency Collaboration

- Critical key to long-term success of funded projects
- RBs, DDW, the DTSC, the US EPA, and local regulatory agencies
- Oversight of the long-term operation and maintenance of projects

“Projects” vs. “Programs”

The Board will not delegate funding of “programs”, but may decide to set aside some funds for groundwater cleanup program if:

- Individual projects within a program would have received funding as stand-alones
- As an alternative, the funding guidelines may require that entities with multiple projects submit the projects individually
- However, if a given entity is awarded funds for multiple projects, a single funding agreement may be developed should it be more efficient administratively

Post-project Cost Recovery/RP Search

- Prop 1 requires applicants to make reasonable efforts to recover the costs associated with remediation from RP
- The primary responsibility for identifying such responsible parties and recovering costs should continue to remain with the regulatory agencies, since the agencies have a broader suite of authorities and legal tools to recover costs
- The burden of RP searches would fall on the applicant during the pre-application and final application phases
- The funding guidelines should allow grant or matching funds used for RP searches and cost recovery efforts to be eligible costs, within limits, potentially based on a percentage of the total project cost (e.g., 5% or less)

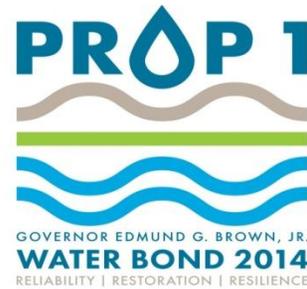
Next Steps

Guideline and Funding Milestones	Estimated Date
Proposed Scope of Draft Guidelines/Public Workshops Comment Period Ends <u>4 December 2015</u>	November 2015
Public release of Draft Guidelines	January 2016
Public Workshops/Comment Period	February 2016
Public release of Final Draft Guidelines	March 2016
Board Consideration of Final Draft Guidelines	April/May 2016
First Round Funding Solicitation	Fall 2016 / 2017
First Round Grant Agreements	Early 2017



Q&A

Thank you for attending



Water Board Groundwater Quality Funding Programs

- Send questions regarding this presentation to gwquality.funding@waterboards.ca.gov
- Additional information can be found at our website: http://www.swrcb.ca.gov/water_issues/programs/grants_loans/gw_funding/