

Summary of Public Comments and Staff Responses
 State Fiscal Year 2015-16 Intended Use Plan (IUP) Clean Water State Revolving Fund (CWSRF)
 Comment Period: February 20, 2015 to April 3, 2015

Commenter	Summary of Comments	Staff Response
(1) Borrego Water District	The comments provided appear to be in response to the preliminary funding criteria proposed with regard to Proposition 1 funding for drinking water.	These comments have been forwarded to staff working on the Prop 1 funding criteria for drinking water.
(2) California Coastkeeper Alliance, Los Angeles Waterkeeper, Community Water Center, Clean Water Fund, and Leadership Counsel for Justice and Accountability	(a) Don't exclude stormwater projects from the list of project types eligible for principal forgiveness.	Language has been modified to clarify that such projects consistent with the Green Project Reserve Guidance may be funded with CWSRF principal forgiveness.
	(b) Not giving enough priority to projects that address public health hazards, regional and affordable approaches, etc. Need to better target resources toward this effort.	We have included incentives to provide higher grant maximums for such projects, including regional planning projects. The proposed Technical Assistance Funding Plan, which is expected later this year, will also help address these concerns.
	(c) Should utilize options to fund operations and maintenance costs, or to advance funds.	Not authorized with regard to the wastewater portion of Prop 1, only included in the Drinking Water portion of Prop 1, Section 79724(a).
	(d) Appears that a loan payment of at least 25% of project costs is required.	Note vii allows 100% for communities paying more than 2%, who can't afford any loan repayment.
	(e) Suggest including flexible funding options for evaluation of governance alternatives for regional solutions in areas not served by public wastewater system or with unaffordable wastewater services.	CWSRF already allows this as part of planning agreements, and we have funded several examples. This type of need may also be addressed through the proposed Technical Assistance Funding Plan.
	(f) Not enough marketing to small communities.	This will be a key role of the new Office of Sustainable Water Solutions.
	(g) Suggest pursuing academic partnerships for innovative solutions.	Will consider this in developing the Technical Assistance Funding Plan. We have included representatives from several universities in the initial stakeholder outreach efforts, and will continue to include others in this process.
	(h) Provide more information about staff dedicated to technical assistance.	Additional information about the Office of Sustainable Solutions has been incorporated. With new staff coming into the Office of Sustainable Solutions and new funding available for technical assistance work, this is somewhat in flux, but updates will be shared with stakeholders through the outreach efforts of the Office of Sustainable Water Solutions.
	(i) Suggest changing the definition of stormwater to encourage low impact development and discourage more conventional approaches, also suggest modifying Section IV.3.E of Policy, regarding sustainability points, to address a similar concern.	These would be changes to the CWSRF Policy, rather than the IUP. Such changes could be considered as part of the next CWSRF Policy amendment process.

Summary of Public Comments and Staff Responses
State Fiscal Year 2015-16 Intended Use Plan (IUP) Clean Water State Revolving Fund (CWSRF)
Comment Period: February 20, 2015 to April 3, 2015

Commenter	Summary of Comments	Staff Response
(3) Central Coast Regional Water Quality Control Board Staff	(a) Suggests focusing on projects to reduce nitrate from irrigated agriculture, rather than wastewater infrastructure projects.	Would not satisfy the statutory requirements associated with these funds, per Section 79723 of Proposition 1.
	(b) Suggests providing grants to communities with lower rates rather than those with higher rates.	The Board has historically tried to target grant funds toward those communities with higher rates, as those communities typically have less capacity to take on project costs as a loan.
(4) Dillard, Joyce	(a) Questions about how we determine median household income.	Typically median household income is determined based on the Census Bureau's American Community Survey data, or in some cases, where representative census data is not available, based on an income survey.
	(b) Questions about how we are incorporating monitoring requirements.	For most wastewater projects, water quality monitoring beyond what's already done for waste discharge requirements is not necessary.
	(c) Questions about how the Governor's Executive Order B-29-15 will affect our efforts.	Order B-29-15 authorized funding earlier than July 2015, and this is now reflected in the IUP.
(5) Residents of South Shafter area (Juana Ruelas, Gustavo Avendano, Maria Jaime, Carmen Zamora, Bill and Francis Pineda, Samuel Heredia, Jose Martinez, Jesus Jaime, M. Josefina Alvarez, Jose C. Solorio, Maria Cardenas, Hector Cardenas, Gema Aguilar, Jose Ramirez)	(a) Suggest that all small disadvantaged communities need 100% grant funding.	We have set the funding eligibility criteria and maximums as proposed, in an effort to provide grants to those communities facing the most significant affordability issues, while also ensuring that grant funds are spread to a maximum number of communities across the state.
	(b) Suggest allowing funding for septic abandonment and new private laterals.	We can fund these costs, under our CWSRF Expanded Use Program.
(6) Sacramento Regional County Sanitation District (Regional San)	Request to add two projects to Project List.	The Project List is updated on a quarterly basis and once these two applications are submitted, Regional San can work with Division staff to ensure the projects are added.
(7) San Diego, City of	(a) Suggest planning costs associated with potable reuse projects should be eligible upon receipt of construction funding.	Typically retroactive planning costs are eligible through the CWSRF Program. These comments have been forwarded to staff working on the <u>Water Recycling Funding Program</u> .
	(b) Suggest incorporating cost of living index.	Staff has considered the comment, and does not feel suggested changes are warranted.
	(c) Suggest option for 20 year financing.	This is permitted based on the preference of the funding recipient.

Summary of Public Comments and Staff Responses
 State Fiscal Year 2015-16 Intended Use Plan (IUP) Clean Water State Revolving Fund (CWSRF)
 Comment Period: February 20, 2015 to April 3, 2015

Commenter	Summary of Comments	Staff Response
San Diego, City of (continued)	(d) Suggest extending 9/30/2015 date for implementing new cost and effectiveness analysis.	The date for this requirement is defined in the Water Resources Reform and Development Act of 2014 (WRRDA). The analysis will be required for applications submitted after 9/30/2015.
(8) Self-Help Enterprises	(a) Suggest amending planning agreements to incorporate design and construction costs, rather than creating two separate funding agreements.	In the case of small disadvantaged communities, it is more beneficial to create a relatively simple and straightforward grant agreement for planning, and then do a separate agreement for construction, primarily because there are significantly more requirements and conditions associated with construction financing agreements which would unnecessarily complicate our planning grant agreements.
	(b) Suggest providing higher percentage of grant. Also suggest providing higher grant amounts based on low population, rather than based on high rates as a percentage of median household income.	We believe that rates as a percentage of median household income provide a more representative indication of affordability challenges.
	(c) Suggest considering not just median household income, but also percentage of poverty, elderly, retired.	These populations (poverty, elderly, retired) will generally reduce the median household income of the community, which is already a key parameter for grant eligibility, so it is generally considered <u>redundant to do so</u> .
	(d) Suggesting creating a sewer emergency fund, possibly funded with Cleanup and Abatement Account.	Proposition 1 didn't authorize us to create such an account. Cleanup and Abatement Account funds are currently dedicated to emergency drought needs but we will continue to look for other options to meet this need.
	(e) The \$30,000 per household limit should be based on construction costs only, not the connection fee portion of project costs.	We believe project costs should be considered holistically, but where appropriate staff may consider recommending projects exceeding this limit to the State Water Board for approval.
	(f) Suggest a higher maximum for consolidation projects.	Note viii allows for a higher maximum of \$8 million per community for such projects.
	(g) Suggest allowing funding for septic abandonment and new private laterals.	We can fund these costs, under our CWSRF Expanded Use Program.
	(h) For technical assistance, make the reporting requirements less burdensome.	We will consider this in preparing the proposed Technical Assistance Funding Plan.
(9) Stoecker Ecological	Concerns about projects related to fish passage, water diversion/storage, etc.	Comments noted, but such projects are not anticipated to be funded under this program.

Summary of Public Comments and Staff Responses
 State Fiscal Year 2015-16 Intended Use Plan (IUP) Clean Water State Revolving Fund (CWSRF)
 Comment Period: February 20, 2015 to April 3, 2015

Commenter	Summary of Comments	Staff Response
(10) Warner, Dave	(a) Requiring rates higher than 1.5% of median household income makes rates higher than small communities can afford and higher than typical rates in larger areas.	Grant programs like this one are geared toward providing assistance to small disadvantaged communities, with the understanding that smaller communities often suffer from a lack of economies of scale and higher rates. This is why we are targeting these grant funds toward small communities, and particularly those with high wastewater rates, rather than larger communities.
	(b) Should consider funding regional applications for planning, for multiple communities.	We've added an option for Division staff to provide a higher total planning grant maximum for such projects, depending on the <u>number of communities being addressed</u> .
	(c) Additional items very similar to items b through h from Self-Help Enterprises.	See responses to Self-Help Enterprises above.
(11) Watsonville, City of	Suggest providing principal forgiveness for larger disadvantaged communities.	Staff has considered this comment. If a case arises where a larger disadvantaged community is paying higher wastewater rates (for example, more than 1.5% of median household income), other means to make projects affordable, such as reduced interest rates can also be considered.