

Section L. Financing Strategies

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Table of Contents

L.1 Funding of the IRWM Plan Implementation	L-2
L.2 Local Government Funding	L-3
L.2.1 Integrating Funding Authorities and Sources.....	L-3
L.2.2 San Luis Obispo County Financing Authority.....	L-4
L.2.3 Benefits/Assessments, Benefits/Assessment Zone Formation	L-5
L.2.4 Local Funding Constraints	L-5
L.3 Grants and Loans (State and Federal).....	L-6
L.3.1 Proposition 84 IRWM and Proposition 1E Stormwater Flood Management Grants	L-7
L.3.1.1 Proposition 84 Grant Funding	L-8
L.3.1.2 Proposition 1E Grant Funding	L-9
L.3.2 State Revolving Funds	L-10
L.3.2.1 USEPA Clean Water and Drinking Water State Revolving Funds: ARRA Implementation	L-10
L.3.2.2 Clean Water State Revolving Fund	L-11
L.3.2.3 SWRCB Small Community Wastewater Grant Program	L-12
L.3.2.4 Safe Drinking Water SRF.....	L-13
L.3.3 Additional Resources for Small and/or DAC Water Systems.....	L-14
L.3.3.1 USEPA Hardship Grants Program for Rural Communities	L-15
L.3.3.2 HUD Community Development Block Grant Program.....	L-16
L.3.3.3 USDA Rural Development Utilities Water and Environmental Programs	L-17
L.3.3.4 Economic Development Administration Grants for Public Works and Development Facilities.....	L-19
L.3.4 Recycled Water, Brackish Water Desalination, and Groundwater Development Funding Programs	L-21
L.3.4.1 SWRCB Water Recycling Funding Program (WRFPP).....	L-22
L.3.4.2 DWR Desalination Grant Funding Program	L-23
L.3.4.3 Reclamation Wastewater and Groundwater Study and Facilities Act – Title XVI	L-23
L.3.5 USEPA Water: A Grants & Funding Overview	L-23
L.3.6 USBR WaterSMART (Sustain and Manage America's Resources for Tomorrow) Grants Program	L-25
L.4 Grant Funding Matrix.....	L-27

Figures

Figure L-1. Proposition 84 Grant Program Allocations..... L-9

Tables

Table L-1. Past State Grants Awarded to the IRWM Region L-3
Table L-2. San Luis Obispo IRWM Region Agencies and Projects Included in Project List of Potentially Eligible Projects L-13
Table L-3. HUD CDBG Program Areas Applicable to the San Luis Obispo IRWM Region L-16
Table L-4. USEDA Investment Programs L-20
Table L-5. SWRCB Water Recycling Funding Program Description of Project Categories L-21
Table L-6. WaterSMART Grants Information L-27
Table L-7. Grant Funding Matrix Programs, Federal Stimulus L-28
Table L-8. Grant Funding Matrix Programs, State Drinking Water L-29
Table L-9. Grant Funding Matrix Programs, State IRWM and Groundwater L-30
Table L-10. Grant Funding Matrix Programs, State Recycled and Storm Water L-31
Table L-11. Grant Funding Matrix Programs, State Habitat Restoration L-32
Table L-12. Grant Funding Matrix Programs, State Beaches and Federal Wetlands Restoration L-33
Table L-13. Grant Funding Matrix Programs, USBR WaterSMART L-34

Section L. Financing Strategies

Research conducted as part of the Integrated Regional Water Management (IRWM) Planning process provides alternative funding opportunities specific to implementation of local and regional projects and programs. This section begins with the review of these programs to bring awareness for available:

- Local government funding to the IRWM Plan member agencies
- Grants and loans that may be applied for by IRWM Plan stakeholders

A comprehensive table of the current state and federal funding programs is included as a resource for existing and future project sponsors wishing to pursue government financial support in the implementation of their projects.¹

For additional project support, a definition on how the IRWM Plan’s adaptive approach is based on the project type and the current stage of planning, design, and construction is included in **Section G - Project Solicitation and Prioritization**. Depending on whether the project is regional or local, additional details in **Section H – Project Integration-Project Alternatives** demonstrate how projects can be grouped and integrated for application in various implementation and funding strategies. Section L expands upon the two funding approach methodologies first discussed in **Section A. Introduction** by utilizing the available funding sources and strategies described herein. Project specific funding mechanisms, such as rate structures, for project construction and project operation and maintenance are described within the List of Projects (Table G-3) approved for IRWM Plan implementation.

This section includes the following:

Funding for the IRWM Plan – Describes the funding sources, programs, and grants used for the long-term development and funding of the IRWM Plan.

Local Government Funding – Describes local funding mechanisms/sources in the IRWM Planning region for consideration by the Regional Water Management Group (RWMG) in implementation of IRWM Plan capital projects and programs, including the funding certainty for maintenance and operations after construction.

¹ Hyperlinks are used throughout this section to direct the reader to internet information related to the various funding programs. Over time, many of these links may become stale and no longer work. As part of the five-year IRWM Plan update cycle, new funding programs will be added to this section and all hyperlinks will be re-established.

Grants and Loans (State and Federal) – Details the currently available funding programs from state and federal sources.

Funding Recycled Water/Desalination Programs – Details the potential funding of a regional recycled/desalination project in the IRWM Planning region.

Grant Funding Matrix – Lists the different grant and loan programs currently on-going with specialized funding based on appropriations given to the program, and according to the project type, project benefits, agency, etc.

Project Implementation Strategy – Includes an expanded methodology of funding based on the regional and local benefits of a project.

Funding of Selected IRWM Projects – Lists the known funding approaches to each of the IRWM implementation projects and the level of certainty for long-term implementation, and operations and maintenance.

L.1 FUNDING OF THE IRWM PLAN IMPLEMENTATION

To date, the IRWM Planning effort has been funded through the San Luis Obispo County Flood Control and Water Conservation District (District). The District serves as the approving body and lead agency for the IRWM Plan’s development and implementation. While the District is governed by the San Luis Obispo County Board of Supervisors, its board members and shared county staff act separately, depending on assigned responsibilities, on behalf of the both the County of San Luis Obispo and the District.

The District receives local funding through its general property tax allocations and from revenues provided by participating agencies, organizations, and other parties benefiting from District services. Both the District and the California Department of Water Resources (DWR) provide funding for developing and updating the IRWM Plan. DWR funding for planning and implementation of the IRWM Plan has historically been obtained through the District’s application for publically supported grants issued as part of Propositions 50 and 80; both being water bond measures voted by the people of California to support integrated water resources management in the state. Past grants awarded to the San Luis Obispo IRWM Region are included in **Table L-1**. Awardees also contribute to the cost of IRMW Program efforts, such as IRWM Plan updates, in accordance with the RWMG MOU.

In-kind staff time is also provided by members of the RWMG. As noted in the Governance section, the RWMG is a volunteer group of water resources stakeholders representing water

entities throughout SLO County expected to actively participate in all aspects of the San Luis Obispo IRWM Plan Update process including, but not limited to, the following activities:

- Actively communicate IRWM Planning activities to all stakeholders including represented interest groups, and individuals
- Review and provide guidance in the preparation of the IRWM Plan Update
- Adopt elements of the IRWM Plan Update to elevate to a policy level
- Prepare and attend RWMG meetings and actively participate in discussions
- Attend workshops and other outreach activities
- Work with the Water Resources Advisory Committee (WRAC) subcommittee in responding to questions and concerns
- Approve the Final IRWM Plan Update and forward to the WRAC for their recommendation of approval to the SLO County Board of Supervisors

Table L-1. Past State Grants Awarded to the IRWM Region

Grant Title	Year	Amount	Description of Benefit/Work Product
Proposition 50 Chapter 8 IRWM Planning Grant	2008	\$500K	<ul style="list-style-type: none"> • Data Enhancement Plan • Flood Management Plan • Groundwater Banking Plan • Regional Permitting Plan
Proposition 84 IRWM Implementation Grant (Round 1)	2011	\$11.5M	<ul style="list-style-type: none"> • “Plan B” Water Supply Replacement Projects
Proposition 84 IRWM Planning Grant	2012	\$1M	<ul style="list-style-type: none"> • IRWM Plan Update • Salt & Nutrient Planning • Groundwater Modeling • Recycled Water Planning • Watershed Planning

L.2 LOCAL GOVERNMENT FUNDING

The information presented below identifies potential sources of local funding used for capital projects and management programs for implementation of required actions in IRWM Plan. This includes sources of funding that RWMG member agencies will use to meet maintenance and operations obligations for IRWM projects. It also describes the constraints that local governments face in generating revenues. Each member that seeks grant funding will need to demonstrate that maintenance and operations funds are to be committed to the projects. This could include proof through an adopted capital improvement plan, other engineering feasibility studies and reports, rate studies, or approved funding programs adopted pursuant to California requirements.

L.2.1 Integrating Funding Authorities and Sources

Because most grant programs require a local match, integrating local funding authorities and sources could help the SLO Region pursue grant-funded projects and seek state and federal funding. Integrating available local funding; supporting an approach; and cost sharing may be needed to meet local match contributions and for funding project feasibility studies, design and environmental review. Planning and permitting work also often require local investments prior to obtaining state or federal grant funding or loans for construction.

Under their general government authority, the cities, county, and District generate local revenue from a variety of sources including general funds or enterprise funds, water and/or sewer rates, developer or impact fees, connection fees, property taxes (acreage or ad valorem assessments), sales taxes, etc. The SLO County can also generate fees pursuant to the county ordinance and state law. Joint Powers Authorities (JPAs) are often formed to coordinate shared project funding.

The County of San Luis Obispo and the San Luis Obispo County Flood Control and Water Conservation District entered into a joint exercise of powers authority (JPA) by forming the SLO County Financing Authority on August 22, 2000. The JPA was formed in order to create a single public agency capable of arranging financing of the acquisition and improvements for public projects that benefit multiple agencies. This was done in order to avoid duplication of effort, inefficiencies in administration, and excessive costs related to the financing of these projects.

L.2.2 San Luis Obispo County Financing Authority

The SLO County Financing Authority has been instrumental in the efficient financing of several large wholesale water projects that serve multiple agencies throughout the County. This includes the Lopez Dam Seismic Remediation Project which serves the Cities of Arroyo Grande, Pismo Beach, Grover Beach, Oceano Community Services District, and County Service Area 12 directly and many other entities indirectly. It also was used to finance the Nacimiento Water Pipeline Project currently serving the Cities of Paso Robles, San Luis Obispo, Atascadero Mutual Water Company, Templeton Community Services District, and County Service Area 10.

The SLO County Financing Authority has issued both tax-exempt bonds to serve municipal agencies and taxable bonds to serve private water companies. Any agency can become an associate member of the JPA to issue debt specific to their individual needs. For example, the City of San Luis Obispo became an associate member in order to issue Bond Anticipation Notes to finance preliminary costs for its share of the Nacimiento Water Pipeline Project.

L.2.3 Benefits/Assessments, Benefits/Assessment Zone Formation

Funding for a large regional project such as a drinking water or recycled water treatment plant, or large water conveyance systems, is often obtained through benefit assessments. Benefit assessments are special charges levied on property to pay for public improvements that benefit property in a predetermined district. Regional drinking water, recycled water, flood control and storm water, ecosystem management, and groundwater storage and water quality protection are all projects that have been identified as candidates for projects of high priority in the SLO Region.

Benefit assessments link the cost of public improvements to those landowners who specifically benefit from the improvements. Benefit assessment zones are defined geographically and levies are put on all properties within a designated benefit assessment zone. The boundaries of a benefit assessment district may coincide exactly with those of a city, county, or other existing special district, or they may cover only part of those jurisdictions.

A comprehensive engineer's report is needed to form a benefit assessment district. The report must outline the proposed area, key projects, estimated project costs, annual cost to each property, and the benefit formula used to determine each property's share of the cost. It forms the legal basis for a benefit assessment district and must be formally approved by the governing body that will administer the district. In November 1996, California voters approved Proposition 218, the Right to Vote on Taxes Act, which among other constraints (see **Section L.2.4**, below), established a strict definition of special benefits, and instituted a common formation and ratification process for all benefit assessment districts.²

L.2.4 Local Funding Constraints

The RWMG defines how monies are collected and decisions are made. One purpose of the RWMG is to identify stable sources of funding for shared programs where these programs are determined to provide benefits to member agencies. The RWMG provides the mechanism for ongoing and stable funding for programs and projects with shared benefits.

Local government funding is required for multiple purposes and the ability for local governments in the SLO Region is constrained by economic and political realities. Like other regions of the state, the SLO Region has a limited ability to pay for all necessary improvement projects or

² Understanding Proposition 218. Legislative Analyst's Office, December 1996. December 1996.
<http://www.lao.ca.gov/1996/120196_prop_218/understanding_prop218_1296.html#intro> Chapter 2:
"Proposition 218 defines a special benefit as a particular benefit to land and buildings, not a general benefit to the public or a general increase in property values."

programs. Unemployment has been high across the state and the ability to raise local revenue is limited by economic conditions. Grants and loans become important in leveraging the limited local financing capacity.

Passed in 1978, Proposition 13 created limits on the ability of city and county governments to raise property taxes. Proposition 218 creates similar constraints for agencies and special districts, including specific procedural requirements related to generating fees and assessments. Any efforts to generate new charges and assessments would be subject to property owner and/or customer approval. Planning or construction of new facilities requires a full evaluation of benefits and costs and an electoral process, as defined by the proposition and amendments to state law.

For specific projects to be implemented under the IRWM Plan, it is important to note that one of the evaluation criteria for project prioritization was the presence of the local funding match, or the presence of a solid plan to define stable funding for construction and long-term maintenance and operations of proposed projects. The process included review of the economic conditions of the proposing sponsor, and disadvantaged communities (DACs) were carried forward and granted higher priority in the second stage of review for Proposition 84 monies since there is an opportunity for DWR to waive the matching fund requirements. The DAC sponsors are still required to demonstrate that stable funds are available for maintenance and operations.

L.3 GRANTS AND LOANS (STATE AND FEDERAL)

Like other regions of the state, the IRWM Region has a limited ability to pay for further projects or programs. With numerous areas of the Region being designated in the 2010 census as low income (i.e., in addition to state designated DACs), there is a limited ability to raise local revenue. This makes grants and loans an important element in leveraging the limited local financing capacity. Fortunately, grants and/or loans are available that can facilitate implementation of IRWM Plan projects and programs.

International, federal and state agencies provide technical assistance and program funding for IRWM Plan-related projects or programs in the SLO Region, including implementation of DWR recommended Resource Management Strategies. RWMG stakeholder agencies have submitted projects for:

- Groundwater management
- Water recycling
- Water quality protection and improvement
- Desalination of brackish groundwater

- Support for meeting critical water supply treatment, storage, and quality needs of DACs and other small cities

DACs often qualify, and many times are prioritized, for grant programs to support basic needs for facility planning, design work, and environmental review.

The number and type of grant and loan programs available to public agencies and utilities in any given year can vary significantly based on whether the Legislature targets appropriations to the programs. Many of the grant programs below are on-going with rounds of grant monies provided upon availability of funding. A given program may go 3 to 4 years between funding cycles, while other programs may terminate due to reaching maximum funding limits included in voter approved legislation enacting the program. Regardless of the funding intervals, the grant and loan program listing below, while not comprehensive, is a living accounting that requires updates as part of SLO Region's IRWM Plan implementation and planned 5-year updates.

As the SLO Region develops, at some point the IRWM Plan website could be developed to provide links to available state, federal and international grant programs and to provide notification for solicitation of grant applications associated with one or more of the programs. The cost to prepare the grant application is the typically the responsibility of the benefitting agency/agencies.

L.3.1 Proposition 84 IRWM and Proposition 1E Stormwater Flood Management Grants

A summary of grant programs listed under Proposition 84/1E is provided in the [Grant Funding Matrix Programs](#) tables at the end of this section. Both programs are managed by DWR under common guidelines.

The DWR IRWM Grant Program is a competitive grant first created under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) with continuing funding provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coast Protection Bond Act of 2006 (Proposition 84). Complementary funding was also provided by the Disaster Preparedness and Flood Prevention Bond Act or 2006 (Proposition 1E) for Stormwater Flood Management Grant Program.

Both funding programs are administered by the DWR, awarding funds to local public agencies and non-profit organizations, for projects and programs to improve water supply reliability and improve and protect water quality. DWR requires such projects and programs to be consistent with an adopted and DWR approved IRWM Plan. Using Proposition 50 IRWM guidelines (2004) as the program foundation, the DWR developed Program Guidelines that meet the requirements of Proposition 84 and Proposition 1E and related implementing legislation. These guidelines are

used for the disbursement of the Proposition 84 IRWM funding and the related Proposition 1E Stormwater Flood Management funding. Final Program Guidelines were adopted and released by DWR in August 2010 and updated in November 2012. The guidelines include general program requirements, eligibility requirements, proposal selection information, and the IRWM Plan standards and associated guidance. The guidelines establish three component grant programs – the IRWM Planning Grant Program, the IRWM Implementation Grant Program, and the related Stormwater Flood Management Grant Program.

Source: Strategic Growth Plan Bond Accountability/IRWM
<<http://bondaccountability.resources.ca.gov/plevel1.aspx?id=14&pid=4>>

L.3.1.1 Proposition 84 Grant Funding³

The intent of the program is to promote the practice of integrated regional water management to ensure sustainable water uses, reliable water supplies, better water quality, environmental stewardship, efficient urban development, protection of agriculture, and a strong economy. General obligation bonds in the amount of \$5.388 billion were authorized with Proposition 84 (2006) to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts. The September 25, 2013, Round 2 Draft Funding Recommendations provided total funding of \$131.1 million to fund 139 projects in 20 grant proposals. Roughly \$472.5 million remain for Round 3 implementation grant awards; currently planned for distribution in the 2014/15 timeframe.

The program recognizes the interconnectivity of water supplies and the environment and rewards projects yielding multiple benefits (e.g., water supply system rehabilitation and improvements serving disadvantaged communities). The total Proposition 84 allocation amounts are shown in the pie chart in **Figure L-1**.

³ Strategic Growth Plan Bond Accountability/Proposition 84 Overview
<<http://bondaccountability.resources.ca.gov/p84.aspx>>

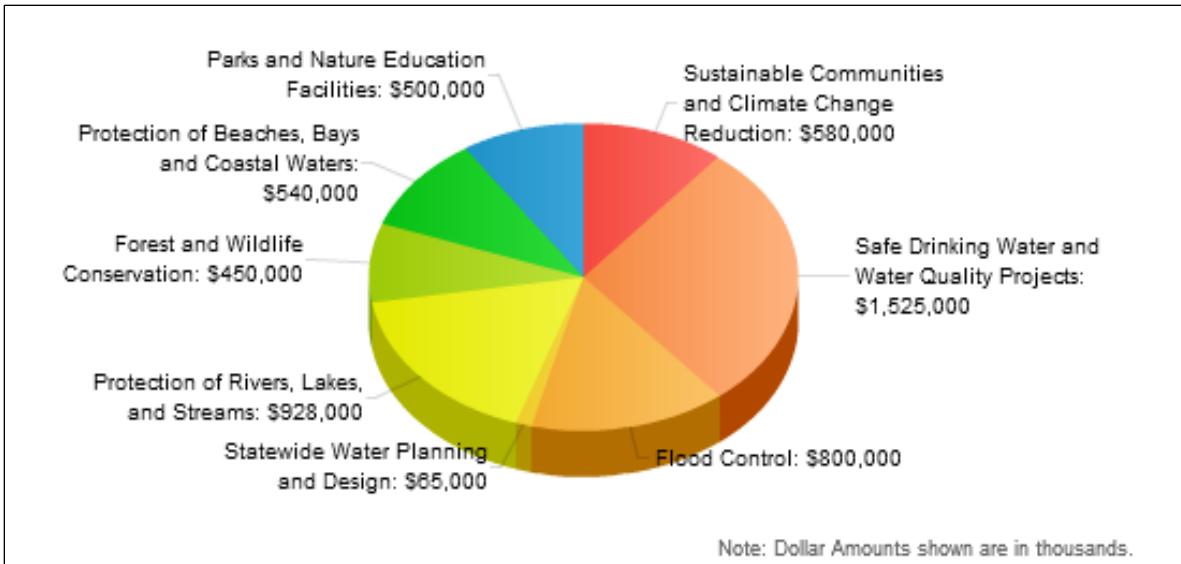


Figure L-1. Proposition 84 Grant Program Allocations

Source: Strategic Growth Plan Bond Accountability/Proposition 84 Overview
<<http://bondaccountability.resources.ca.gov/p84.aspx>>

The state’s IRWM program provides a mechanism for local regions to set priorities to pursue IRWM Implementation Grant funding. It thereby incentivizes local stakeholders to coordinate, refine, and integrate their planning efforts within a comprehensive, regional context; and to identify specific regional priorities for implementation projects. Each region’s IRWM Plan is its basis to apply for implementation grant funding support for identified plans, programs, and projects.

The SLO Region developed its IRWM Plan with substantial local funding and was awarded a \$1 million Proposition 84 Planning Grant. In 2013, the SLO Region applied for, but did not win, Round 2 grant funding. The SLO Region plans to compete for future round IRWM Implementation Grant funding to be made available in the 2014/15 timeframe.⁴ Typically, not less than 10 percent of the available funding is used to support projects that address critical water supply or water quality needs for DACs.

L.3.1.2 Proposition 1E Grant Funding⁵

The California State Legislature was authorized to appropriate \$300 million for grants for Stormwater Flood Management (SWFM) projects. To be eligible, projects have to be within an approved IRWM region, with special consideration given to projects meeting multiple benefits. In

⁴ DWR, Public Meeting Presentation of Draft Funding Recommendations, October 2013.
<http://www.water.ca.gov/irwm/grants/docs/Guidelines/Impdrft_funding_rec_handout.pdf>

⁵ Strategic Growth Plan Bond Accountability/Proposition 1E Overview.
<<http://bondaccountability.resources.ca.gov/p1e.aspx>>

the second round of SWFM Grant funding, projects submitted requested a total of \$500 million in funding. Round 2 Draft Funding Recommendations, dated June 12, 2013, provided approximately \$92 million in SWFM funding to the top 10 projects located throughout California. At the time of writing, appropriations are not in place for funding a third round of the SWFM grant.

L.3.2 State Revolving Funds

L.3.2.1 USEPA Clean Water and Drinking Water State Revolving Funds⁶: ARRA Implementation⁷

The American Recovery and Reinvestment Act of 2009 provides funding for states to finance infrastructure projects needed to ensure clean water and safe drinking water. The Clean Water State Revolving Fund (CWSRF) program, in place since 1987, received \$4 billion, including funds for Water Quality Management Planning Grants. The Drinking Water State Revolving Fund (DWSRF) program, in place since 1997, received \$2 billion.

USEPA is making Recovery Act grants to states... to capitalize their State Revolving Fund (SRF) programs, from which assistance is provided to finance eligible high priority water infrastructure projects. The states will set priorities based on public health and environmental factors, in addition to readiness to proceed to construction, and identify which projects will receive funding. States must provide at least 20% of their grants for green projects, including green infrastructure, energy or water efficiency, and environmentally innovative activities.

Source: USEPA ARRA. <http://water.epa.gov/grants_funding/eparecovery/index.cfm>

The USEPA CWSRF is a loan program that provides low-cost financing to eligible entities within state and tribal lands for water quality projects including:

- All types of nonpoint source (NPS)
- Watershed protection or restoration
- Estuary management projects
- More traditional municipal wastewater treatment projects

Source: USEPA/Pacific Southwest, Region 9/CWA SRF <<http://www.epa.gov/region9/water/grants/srf-loan-prog.html>>

⁶USEPA Drinking Water State Revolving Fund. <http://water.epa.gov/grants_funding/dwsrf/>

⁷USEPA ARRA. <http://water.epa.gov/grants_funding/eparecovery/index.cfm>

The Safe Drinking Water Act (SDWA), as amended in 1996, established the DWSRF to make funds available to drinking water systems to finance infrastructure improvements. The program also emphasizes providing funds to small and disadvantaged communities and to programs that encourage pollution prevention as a tool for ensuring safe drinking water.

See Source: USEPA Drinking Water State Revolving Fund. <http://water.epa.gov/grants_funding/dwsrf/>

The USEPA SRF programs help put the state's CWSRF and DWSRF on a firmer foundation. USEPA works with the state agencies and local partners to develop sustainability policies including management and pricing for future infrastructure funded through SRFs to encourage conservation and to provide adequate long-term funding for future capital needs. SLO Region agencies may access SRF funds for regional IRWM programs that focus on urban water conservation programs that would benefit DACs and/or a specific Sub-Region.

L.3.2.2 Clean Water State Revolving Fund⁸

California State Water Resources Control Board (SWRCB) manages the CWSRF program to finance the protection and improvement of water quality. The program is funded by federal grants, state funds, and revenue bonds, and offers low interest financing agreements for eligible projects.

Eligible projects include, but are not limited to:

Construction of publicly-owned facilities:

- Wastewater treatment
- Local sewers
- Sewer interceptors
- Water reclamation facilities
- Stormwater treatment

Expanded use projects include, but are not limited to:

- Implementation of nonpoint source (NPS) projects or programs
- Development and implementation of estuary comprehensive conservation and management plan

Eligible Applicants

- Any city, town, district, or other public body created under state law
- A Native American tribal government or an authorized Native American tribal organization having jurisdiction over disposal of sewage, industrial wastes or other waste
- Any designated and approved management agency under Section 208 of the

⁸ SWRCB Clean Water SRF. <http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/> The Federal Water Pollution Control Act (Clean Water Act or CWA), as amended in 1987, established the Clean Water SRF program, which offers low interest financing agreements for water quality projects. Annually, the State program disburses between \$200 and \$300 million to eligible projects.

- Clean Water Act
- 501(c)(3)'s and National Estuary Programs

Financing Terms

- Interest Rate – secure half of the most recent General Obligation (GO) Bond Rate at time of funding approval
- Financing Term – 20 Years; up to 30 years for small DACs or regionalization projects
- Financing Amount – No maximum funding limit
- Repayment – Begins 1 year after completion of construction

See [True Interest Cost Table](#)

Applications are being accepted on a continuous basis...

Source: SWRCB/ CWSRF <http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/>

L.3.2.3 SWRCB Small Community Wastewater Grant Program

The Small Community Wastewater Grant (SCWG) Program was most recently funded in 2002 (by Propositions 40 and 50), and it provided grants to small (i.e., with a population of 20,000 persons, or less) disadvantaged . . . communities for planning, design, and construction of publicly-owned wastewater treatment and collection facilities.

Source: SWRCB/Small Community Wastewater Grant Program
<http://www.swrcb.ca.gov/water_issues/programs/grants_loans/small_community_wastewater_grant/index.shtml>

The types of technical assistance offered include:

- Preparation of financial assistance applications
- Compliance audits and troubleshooting to address permit violations or improve operations
- Review of proposed project alternatives to assist in identifying low-cost, sustainable approaches
- Assistance with planning and budgets, including capital improvement planning
- Assistance with community outreach, awareness, and education, especially with regard to rate setting and Proposition 218 compliance

L.3.2.3.1 January 2013 List of Potentially Eligible Small DAC Wastewater Projects

Based on feedback from the Regional Water Quality Control Boards, Environmental Justice and Small Community Assistance Groups, and individual local agency inquiries, the Division of Financial Assistance (DFA) has compiled a list of potentially eligible small, DAC wastewater

projects (See **Table L-2**). This list is used to help quantify statewide needs, and it will continue to be updated based on any new information provided to DFA staff.

The SWRCB's [SCWG Program](#) is no longer soliciting projects due to lack of funding. The SCWG Program provided assistance for the construction of publicly-owned wastewater treatment and collection facilities to communities meeting specific population restrictions and income requirements.

Source: CDBH Financial Assistance Programs – Grants and Loans Small Community Wastewater Strategy
<http://www.swrcb.ca.gov/water_issues/programs/grants_loans/small_community_wastewater_grant/strategy.shtml>

Table L-2. San Luis Obispo IRWM Region Agencies and Projects Included in Project List of Potentially Eligible Projects

Applicant	Project Title	Estimated Cost
City of Morro Bay	Morro Bay/Cayucos Sanitary District WWTP Project Upgrade	\$2M
City of Paso Robles	Paso Robles Pump Station No. 1	Unknown
County of San Luis Obispo	Los Osos Wastewater Project	Unknown
Cuyama Community Services District	Percolation Ponds for Cuyama's Community WWTP	\$500K
Cambria Community Services District	Biosolids & Nitrate Removal Project	Unknown
Heritage Ranch Community Services District	Convert from Percolation Ponds to Spray Fields	Unkown
San Miguel Community Services District	San Miguel Community Services District Percolation Disposal Pond Upgrade	\$2.5M

Source: Potentially Eligible Small, Disadvantaged Community Wastewater Projects. January 2013.
<http://www.swrcb.ca.gov/water_issues/programs/grants_loans/small_community_wastewater_grant/docs/sdac_masterlist.pdf>

L.3.2.4 Safe Drinking Water SRF⁹

California Department of Public Health (CDPH) has a range of funding opportunities for public water systems. *Safe Drinking Water State Revolving Fund Intended Use Plan* (SDWSRF) (CDPH, Final September 2013) identifies specific programs that assist small communities and DACs.¹⁰ Three of the programs are described, as follows:

Small Water System (SWS) Technical Assistance Set-aside. The program is for communities serving populations of less than 10,000.¹¹ Technical assistance is provided through the Rural Community Assistance Corporation (RCAC), California Rural Water Association (CRWA) and Self-Help Enterprises (SHE, active only in the Central Valley). The CDPH Small Water Systems Technical Support Unit holds quarterly meetings with the technical assistance providers

⁹ CDPH Safe Drinking Water SRF. <<http://www.cdph.ca.gov/services/funding/Pages/SRF.aspx>>

¹⁰ CDHP Drinking Water SRF Plan Final. September 2013.
<<http://www.cdph.ca.gov/services/funding/Documents/SRF/2013%20Funding/FINALSFY2013IUP.pdf>>

¹¹ CDPH Small Water Systems Support.
<<http://www.cdph.ca.gov/certlic/drinkingwater/Pages/Smallwatersystems.aspx>>

(CalTAP). These meetings provide the opportunity to identify and implement more effective and meaningful methods of providing technical assistance to smaller and disadvantaged community systems.

Small Water System Technical Assistance. The program strategy was developed with the assistance of interested groups such as CRWA, RCAC, Community Development Block Grant program, California Conference of Directors of Environmental Health, local environmental health agencies, SHE, American Water Works Association and others. Funding workshops introducing state and federal infrastructure funding programs are held throughout the state each year for an opportunity to provide direct feedback to SDWSRF program representatives.

Small Water Systems Capacity Development Program. Funded through the SDWSRF, CDPH also administers this program.¹²

L.3.3 Additional Resources for Small and/or DAC Water Systems

Financial assistance for small and/or DAC water systems can be found through multiple programs where attention is focused on making the cost of needed assistance technically and economically feasible. The programs described and links provided herein, and those included in the [Grant Funding Matrix Programs](#) tables are available to local communities seeking financial assistance on their own. Below is a discussion on the assistance made available to small water systems through legislation amending the SDWA and the California Water Code:

The federal Safe Drinking Water Act Amendments of 1996 (SDWA) were signed into law in part because of the significant problems that small public water systems (SWS) had in providing safe, reliable drinking water to their customers. The SDWA emphasized technical, managerial, and financial (TMF) prevention and assistance to resolve the problems. It included mandates to the states to prevent new non-viable systems. It also mandated the development and implementation of a comprehensive capacity development strategy to assist public water systems in obtaining adequate capacity. The SDWA provided the resources and flexibility to accomplish the end objective.

In 1997 Senate Bill (SB) 1307 became law, enabling California to implement the provisions of the federal SDWA. This statute established a financial assistance program entitled the State Revolving Fund (SRF), which included a comprehensive

¹² Small Water Systems Capacity Development Program.
<<http://www.cdph.ca.gov/certlic/drinkingwater/Pages/TMF.aspx>>

technical assistance program for small systems. In order to help ensure the provision of safe, reliable drinking water to customers on a long term basis, this legislation was designed to prevent the formation of a new public water system or the approval of a public water system change of ownership unless that system had been determined by the State to have adequate TMF capacity.

CDPH developed TMF capacity criteria based on guidance provided by the federal Environmental Protection Agency, experience in CDPH's [Drinking Water Program](#) and [Local Primacy Agencies](#), and experiences of other states. Input also was received from affected stakeholders and the public. The current TMF Assessment Information can be found at the links noted below.

The Drinking Water Program provides free technical help through contracts with Rural Community Assistance Corporation (RCAC) [and] California Rural Water Association, and Self-Help Enterprises [active only in the Central Valley]. If you need help with Technical, Managerial or Financial issues or help with the SRF Funding Program contact your local CDPH District [Map](#) or your Local Primacy Agency to see if you qualify.

For more drinking water-related information, see the links at [Public Drinking Water Systems](#) and [Small Water Systems – Technical Support Unit](#). Or contact: Phone: (916) 449-5652

➔FREE: For a measure of a public water system's TMF capacity and a list of resources to help build TMF capacity, go to the [TMF Tune-Up](#).

Source: CDPH/Small Water Systems Capacity Development Program
<<http://www.cdph.ca.gov/certlic/drinkingwater/Pages/TMF.aspx>>

Resources for Small Public Water Systems

Rural Community Assistance Corporation (RCAC). <<http://www.rcac.org/>>
California Rural Water Association (CRWA). <<http://www.calruralwater.org/>>
Expense Reimbursement Grant (ERG), CPS Human Resources Services <<http://www.cpsr.us/>>
California State University Sacramento, Office of Water Programs (CSUS) <<http://www.owp.csus.edu/>>
American Water Works Association (AWWA), California-Nevada Section <<http://www.ca-nv-awwa.org/canv/web>>

L.3.3.1 USEPA Hardship Grants Program for Rural Communities¹³

¹³ USEPA Federal Funding Sources for Small Community Wastewater Systems.
<<http://water.epa.gov/type/watersheds/wastewater/eparev.cfm#7>>

The USEPA Hardship Grants program assists small (fewer than 3,000 residents), disadvantaged rural communities address wastewater treatment. California identifies eligible projects and may commit a portion of its grants for technical assistance. Designed to complement the CWSRF loan program, this program distributes funds based on the number of rural communities in California lacking access to centralized water treatment and the rural per capita income.

L.3.3.2 HUD Community Development Block Grant Program¹⁴

U.S. Department of Housing and Urban Development (HUD) offers Community Development Block Grants (CDBG). These are given directly to California, which then allocates the funds to small cities and nonurban counties. Grants may be used for community and economic development activities, but are primarily used for housing rehabilitation, public infrastructure projects including wastewater and drinking water facilities. Seventy percent (70%) of grant funds must be used for activities that principally benefit low- and moderate-income communities. HUD CDBG Programs that are or may be applicable to the IRWM Region are provided in **Table L-3**.

Table L-3. HUD CDBG Program Areas Applicable to the San Luis Obispo IRWM Region

<u>Entitlement Communities</u>	The program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.
<u>State Administered CDBG</u>	Also known as the Small Cities CDBG program, states award grants to smaller units of general local government that carry out community development activities. Annually, each state develops funding priorities and criteria for selecting projects.
<u>Section 108 Loan Guarantee Program</u>	CDBG entitlement communities are eligible to apply for assistance through the section 108 loan guarantee program. CDBG non-entitlement communities may also apply; provided their state agrees to pledge the CDBG funds necessary to secure the loan. Applicants may receive a loan guarantee directly or designate another public entity, such as an industrial development authority, to carry out their Section 108 assisted project.
<u>Disaster Recovery Assistance</u>	HUD provides flexible grants to help cities, counties, and states recover from Presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations.

¹⁴ See HUD/Community Development Block Grant Program – CDBG.
http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs
 California Department for Housing and Community Development/CDBG.
<http://www.hcd.ca.gov/fa/cdbg/index.html>

Neighborhood Stabilization Program	HUD provides grants to communities hardest hit by foreclosures and delinquencies to purchase, rehabilitate, or redevelop homes and stabilize neighborhoods.
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Source: HUD/CDBG.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

L.3.3.3 USDA Rural Development Utilities Water and Environmental Programs¹⁵

USDA Rural Development provides grants and loans through its Water and Waste Disposal (WWD) program. The program targets rural communities with 10,000 people or less for drinking water, wastewater, solid waste, and storm drainage projects. Rural Utilities Service brings assistance to rural areas for safe, affordable drinking water.¹⁶

The Rural Development programs are a resource for DACs in the IRWM Region as they plan and develop their water and wastewater facilities, and can assist them to prepare their projects for other funding sources. Funds can be used for construction, land acquisition, legal fees, engineering fees, capitalized interest, equipment, initial operation and maintenance costs, and costs to complete a project. Both public agencies and nonprofit organizations are eligible.

Water and Environmental Programs (WEP) provides loans, grants, and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas and cities and towns of 10,000 or less. Public bodies, non-profit organizations, and recognized Indian tribes may qualify for assistance. WEP also makes grants to nonprofit organizations to provide technical assistance and training to assist rural communities with their water, wastewater, and solid waste problems.

The following types of assistance are available through the USDA Rural Development Utilities Water and Environmental Programs:

Utilities Assistance

Loans and Grants for Rural Communities

Program assistance is provided in many ways, including direct or guaranteed loans, grants, technical assistance, research and educational materials. Please check the links below for more

[Direct Loans and Grants](#). To develop water and waste disposal systems in rural areas and towns with a population not in excess of 10,000. The funds are available to public bodies, non-profit corporations and Indian tribes.

¹⁵USDA RD /Utilities/Water and Environmental Programs. http://www.rurdev.usda.gov/uwep_homepage.html

¹⁶USDA/RD /Utilities/Water and Waste Disposal Direct Loans and Grants <http://www.rurdev.usda.gov/UWP-dispdirectloansgrants.htm>

***Guaranteed Loans.** To provide a loan guarantee for the construction or improvement of water and waste disposal projects serving the financially needy communities in rural areas. This purpose is achieved through bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting benefits. The water and waste disposal guarantee loans are to serve a population not in excess of 10,000 in rural areas.*

***Emergency Community Water Assistance Grants.** To assist rural communities that have experienced a significant decline in quantity or quality of drinking water due to an emergency, or in which such decline is considered imminent, to obtain or maintain adequate quantities of water that meets the standards set by the Safe Drinking Water Act. This emergency is considered an occurrence of an incident such as, but not limited to, a drought, earthquake, flood, tornado, hurricane, disease outbreak or chemical spill, leakage or seepage.*

***Pre-development Planning Grants.** Predevelopment planning grants may be available, if needed, to assist in paying costs associated with developing a complete application for a proposed project.*

***Loans for Very Small Projects.** To assist communities with water and wastewater systems. Qualified private non-profit organizations will receive RFP grant funds to establish a lending program for eligible entities. This grant program is to serve a rural area with a population not in excess of 10,000.*

***Opportunities for Native American Indian Tribes.** Native American Indian Tribes are eligible for most of the Utilities Programs' water and waste water loans and grants. In addition, grants, specifically designed to address Native American water and waste disposal needs are available.*

***Opportunities for Colonias and Rural or Native Alaskan Villages.** In addition to the general loan and grant offerings for water and waste disposal projects, the Utilities Programs offers grants specifically designed to address the needs of Alaskan Native Villages and areas designated as Colonias.*

***Opportunities for Lenders.** The Utilities Programs works with private lenders to guarantee loans to borrowers for the construction of water and waste systems in rural areas. Loan guarantees can be issued for up to 90% on any loss of interest and principal on a loan.*

Technical Assistance Programs and Providers. Grants are available to non-profit organizations to provide water and waste disposal-related technical assistance and/or training to rural water systems and rural areas, towns and cities with a population of 10,000 or less.

Individual Household Water Well Program. Grants are available for private non-profit organizations to establish lending programs that provide low-cost loans to individuals living in eligible rural areas for the construction of water wells.

Solid Waste Management Program. To evaluate current landfill conditions to determine threats to water resources. Provide technical assistance and/or training to enhance operator skills in the operation and maintenance of active landfills. Provide technical assistance and/or training to help communities reduce the solid waste stream. Provide technical assistance and/or training for operators of landfills which are closed or will be closed in the near future with the development and implementation of closure plans, future land use plans, safety and maintenance planning, and closure scheduling within permit requirements.

Revolving Fund Program. To assist communities with water and wastewater systems. Qualified private non-profit organizations will receive RFP grant funds to establish a lending program for eligible entities. This grant program is to serve a rural area with a population not in excess of 10,000.

Circuit Rider Technical Assistance for Rural Water Systems. Regulation Citation: Terms established in service contract issued through RD Procurement.

Source: USDA/RD/Utilities/ Water and Environmental Programs.
<http://www.rurdev.usda.gov/UWEP_HomePage.html>

The program is administered locally by the USDA Rural Development office in Santa Maria, which has worked extensively with communities in the San Luis Obispo, Santa Barbara, and Ventura communities.

For additional Rural Development information and assistance, contact Al Correale via telephone: 805-928-9269 ext. 119.

L.3.3.4 Economic Development Administration Grants for Public Works and Development Facilities¹⁷

¹⁷ USEDA Investment Programs <<http://www.eda.gov/programs.htm>>

U.S. Department of Commerce provides grants through the U.S. Economic Development Administration (USEDA) Investment Programs to assist economically distressed areas for public works projects, including water and wastewater facilities. The projects must promote economic development, create long-term jobs, and/or benefit low-income persons or the long-term unemployed, and fulfill a pressing need of the area.

Recycling to create water for expanding the renewable energy industry should be a candidate since it would help to establish industrial plants or facilities. Projects must have an adequate share of local funds; evidence firm commitment and availability of matching funds, be capable of being started and completed in a timely manner. State money could be used to match the federal money. The state, cities, and nonprofit organizations would be eligible.

For funding opportunities and other information, visit the USED A Investment Program website.³⁸

- *NEW – [2014 Economic Development Assistance Programs](#)
- [USED A's Planning and Local Technical Assistance Programs](#)
- [Preliminary Engineering and Environmental Templates](#) (*Required documents for submitting an application for construction assistance to USED A*)

One or more of the USED A programs are shown in **Table L-4** may be applicable to SLO Region stakeholders.

Table L-4. USED A Investment Programs

Economic Adjustment	Assists state and local interests in designing and implementing strategies to adjust or bring about change to an economy. Focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base.
Partnership Planning	Supports local organizations (Economic Development Districts, others) with long-term planning. The Comprehensive Economic Development Strategies (CED S) Summary of Requirements (PDF) provides a synopsis of requirements for comprehensive economic development strategies.
Trade Adjustment Assistance for Firms	National network of 11 Trade Adjustment Assistance Centers to help strengthen competitiveness of American companies that have lost domestic sales and employment because of increased imports of similar goods and services.
University Centers	A partnership of the federal government and academia that makes the varied and vast resources of universities available to the economic development community.
Research and National Technical Assistance	Supports research of leading edge, world class economic development practices and information dissemination efforts.
Local Technical Assistance	Helps fill knowledge and information gaps that may prevent leaders in public and nonprofit sectors in distressed areas from making optimal decisions about local economic development.

Source: USEDA Investment Programs. <<http://www.eda.gov/programs.htm>>

L.3.4 Recycled Water, Brackish Water Desalination, and Groundwater Development Funding Programs

The IRWM Plan identifies several projects for recycling of wastewater, desalination of ocean water, and groundwater banking and/or storage (for **Appendix G-4 – Ranked Project List**). Implementing such projects will help the Region to live within its limitation on imported California Delta water, and to supply water to meet new uses as Delta water available to the Region is reduced.

State and federal financial programs for recycled water projects are available to the SLO Region through the CWSRF, administered by the SWRCB Division of Financial Assistance and the DWR Desalination Funding Program; and on the federal level, U.S. Bureau of Reclamation’s (USBR) WaterSMART Title XVI Water Reclamation and Reuse Grant Program. Integrating state and federal funding to develop projects is a strategy that can serve the IRWM Region.

CWSRF programs provide low-interest construction loans for water recycling and groundwater development projects, and provide funds for recycling and desalination projects. As shown in **Table L-5**, eligible project types include publicly owned wastewater treatment facilities, local sewers, sewer interceptors, and water reclamation facilities, as well as, USEDA pollution control projects. The DWR funds construction of brackish water desalination projects, feasibility studies, research and development, and pilot and demonstration projects.

Table L-5. SWRCB Water Recycling Funding Program Description of Project Categories

Category II - State Water Supply	Provide for treatment and delivery of municipal wastewater or groundwater that is contaminated due to human activity, for uses (including groundwater recharge) that replace the use of the state water supply with recycled water, but do not provide benefits to the Delta.
Category III – Local Water supply	Provide for treatment and delivery of municipal wastewater to users that replace the use of local water supply with recycled water.
Category IV – Local Groundwater Reclamation	Provide treatment and reuse of groundwater contaminated due to human activity; and provide local water supply benefits.
Category V and Category VI projects may only be considered for funding by SRF Loan Program for the objective of pollution control	
Category V – Pollution Control	Provide for the treatment and disposal of municipal wastewater to meet waste discharge requirements for water pollution control.
Category VI – Miscellaneous	Projects that do not have identifiable benefits to the state or local water supply.

Source: [Water Recycling Funding Program Guidelines](#), Table 2.

L.3.4.1 SWRCB Water Recycling Funding Program (WRFPP)¹⁸

Water Recycling Construction Program (WRCP). ¹⁹ *The program provides loans and grants to eligible applicants for the design and construction of water recycling facilities. Detailed information on eligible projects, applicants, and the funding process are presented in the [Water Recycling Funding Program Guidelines](#). Applications are accepted on a continuous basis. The available funding is distributed to projects that meet the requirements of these Guidelines and are first ready to proceed to construction. Very limited grant funding is available.*

Water Recycling Facilities Planning Grant Program (FPGP). ²⁰ *Encouraging new recycling planning studies, funds are intended to supplement local funds and enhance the quality of local planning efforts. Funds are provided for planning studies to determine the feasibility of using recycled water to offset the use of fresh and/or potable water from state and/or local supplies.*

Source: [Water Recycling Funding Program Guidelines](#) as adopted October 21, 2004 by SWRCB Resolution No. 2004 - 0064_ California State Water Resources Control Board

¹⁸ SWRCB Water Recycling Funding Program (WRFPP)

<http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/>

¹⁹ SWRCB Water Recycling Funding Program (WRFPP)/Water Recycling Construction Program (WRCP)

<http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/construction.shtml>

²⁰ Water Recycling Funding Program (WRFPP)/ Facilities Planning Grant Program

<http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/facilitiesplan.shtml>

L.3.4.2 DWR Desalination Grant Funding Program²¹

This grant program is designed to assist local public agencies to develop new local water supplies through the construction of brackish water and ocean water desalination projects and help advance water desalination technology and its use by means of feasibility studies, research and development, and pilot and demonstration projects.

L.3.4.3 Reclamation Wastewater and Groundwater Study and Facilities Act – Title XVI²²

Title XVI of Public Law 102-575, the Reclamation Wastewater and Groundwater Study and Facilities Act, authorizes the federal government to partially fund the capital cost of recycling projects. The Title XVI act directs the Secretary of the Interior to undertake a program to investigate and identify opportunities for water reclamation and reuse of municipal, industrial, domestic, and agricultural wastewater, naturally impaired ground and surface waters, and for design and construction of demonstration, and permanent facilities to reclaim and reuse wastewater.

It also authorizes the Secretary of the Interior to conduct research, including desalting, for the reclamation of wastewater and naturally impaired ground and surface waters. The funds have also been used to evaluate water markets, transfers, and create economic incentives to conserve water. These funds are managed and distributed by the USBR.]

L.3.5 USEPA Water: A Grants & Funding Overview

For USEPA Pacific Southwest, Region 9 contacts, visit:

<<http://www.epa.gov/region9/water/contactus.html#grants>>

For USEPA Pacific Southwest, Region 9 Funding Sources for Communities, visit:

<<http://www.epa.gov/region09/funding/funding-sources/index.html>>

For All USEPA Region program funding options and links, visit:

<http://water.epa.gov/grants_funding/>

²¹ DWR 2013 Desalination Grant Funding (Round 3) <<http://www.water.ca.gov/desalination/2013DesalGrants.cfm>>

²² SWRCB Financial Assistance Funding - Grants and Loans.

<http://www.waterboards.ca.gov/water_issues/programs/grants_loans/>

[American Recovery and Reinvestment Act \(ARRA\) of 2009.](#)

ARRA provided significant funding for states to finance high priority water infrastructure projects through a \$2 billion appropriation to the DWSRF program and a \$4 billion appropriation to the CWSRF program. EPA's [CWSRF & DWSRF ARRA Implementation](#) webpage provides information on the status of ARRA implementation as well as guidance and resources for states and other stakeholders.

[Beach Grants](#)

Learn about BEACH Act grants awarded to eligible coastal and Great Lakes states, territories, and tribes to develop and implement beach monitoring and notification programs.

[Catalog of Federal Funding](#)

Search this database of financial assistance sources (grants, loans, cost-sharing) available for a variety of watershed protection projects.

[Clean Water State Revolving Fund \(CWSRF\)](#)

The CWSRF provides attractive, low-cost funding for projects that improve water quality, renew wastewater infrastructure, and support local economies. The Independent, revolving loan funds in all 50 states and Puerto Rico administer the SRF program, providing financial assistance to local communities.

[Drinking Water State Revolving Fund \(DWSRF\)](#)

The Safe Drinking Water Act, through the DWSRF, makes funds available to drinking water systems to finance infrastructure improvements. The program also emphasizes providing funds to small and disadvantaged communities and to programs that encourage pollution prevention as a tool for ensuring safe drinking water.

[Federal Funding for Water/Wastewater Utilities in National Disasters \(Fed FUNDS\)](#)

Fed FUNDS features federal disaster funding programs for water and/or wastewater utilities to obtain information on federal disaster funding programs from Federal Emergency Management Agency (FEMA), EPA, U.S. Department of Agriculture (USDA), Housing and Urban Development (HUD), and Small Business Administration (SBA). Using Fed FUNDS, a utility can easily identify appropriate funding opportunities, gain insight on the application process, access customized forms to document costs, download successful utility applications, and contact utility funding mentors.

[PPG Performance Partnership \(PPG\) Grants](#)

Learn how states and certain interstate agencies can combine two or more environmental program grants into a single PPG to reduce administrative costs and direct EPA grant funds to priority environmental problems or program needs.

[Section 106 Water Pollution Control Grant Program](#)

Section 106 of the Clean Water Act authorizes EPA to provide federal assistance to states (including territories, the District of Columbia, and Indian Tribes) and interstate agencies to establish and implement ongoing water pollution control programs.

[Section 319 Grants Reporting and Tracking System \(GRTS\)](#)

Discover the GRTS, the primary tool for management and oversight of the EPA's Nonpoint Source Pollution Control Program. These centralized grants and financial databases allow grant recipients to enter detailed information on the individual projects or activities funded under each grant.

[Safe Drinking Water Act](#)

The Safe Drinking Water protects public health and our nation's drinking water. It sets national, health-based standards for both naturally occurring and man-made contaminants that may be found in drinking water. EPA, states, and water systems then work together to make sure that these standards are met.

[Targeted Watersheds Grants Program](#)

Established in 2003, the Targeted Watersheds Grant program is designed to encourage successful community-based approaches and management techniques to protect and restore the nation's watersheds.

[Tribal Funding](#)

EPA is currently soliciting applications to support the National Tribal Water Council to facilitate tribal participation and build tribal capacity to address water quality and drinking water issues.

[Watershed Funding](#)

Visit this Web site to find tools, databases, and information about sources of funding to practitioners and funders that serve to protect watersheds.

[Wetlands](#)

Find out more about two grant programs, Wetlands Program Development Grants and the Five Star Restoration and Grants Programs that help protect the Nation's wetlands

**L.3.6 USBR WaterSMART (Sustain and Manage America's Resources for Tomorrow)
Grants Program**

For USBR WaterSMART Grants Information, visit:

<<http://www.usbr.gov/WaterSMART/grants.html>>

Congress recognizes the stresses on water supplies through the country and the significant climate change-related impacts taking place currently. With the passage of the SECURE Water Act, a law was created that authorizes federal water and science agencies to work together with state and local water managers to plan for climate change and the other threats to our water supplies, and to take action to secure our water resources for the communities, economies, and the ecosystems they support.

To implement the SECURE Water Act, the WaterSMART program was implemented in February 2010. WaterSMART allows all bureaus of the Department of the Interior to:²³

*...work with States, Tribes, local governments, and non-governmental organizations to pursue a sustainable water supply for the Nation by establishing a framework to provide federal leadership and assistance on the efficient use of water, integrating water and energy policies to support the sustainable use of all natural resources, and coordinating the water conservation activities of the various Interior offices.*²⁴

The United States Bureau of Reclamation (now commonly referred to as Reclamation) plays a key role in the WaterSMART program as the Department of the Interior's main water management agency. Focused on improving water conservation and helping water and resource managers make wise decisions about water use, Reclamation's portion of the WaterSMART program is achieved through administration of grants, scientific studies, technical assistance, and scientific expertise.

Planning and implementation of projects associated with the use of recycled or desalinated water should include the WaterSMART program as a resource to investigate as part of any funding alternatives analysis.

WaterSMART Program links:

- [WaterSMART](#)
- [WaterSMART Grants](#)

[WaterSMART Water & Energy Efficiency Grants](#)

- [System Optimization Reviews](#)
- [Advanced Water Treatment Grants](#)
- [Grants to Develop Climate Analysis Tools](#)
- [Basin Studies](#)
- [Landscape Conservation Cooperatives](#)
- [Title XVI - Water Reclamation & Reuse](#)

²³ USDO I includes [Bureau of Indian Affairs](#) , [Bureau of Land Management](#) , [Bureau of Ocean Energy Management](#) , [Bureau of Reclamation](#) , [Bureau of Safety and Environmental Enforcement](#), [National Park Service](#) ,[Office of Surface Mining, Reclamation and Enforcement](#) , [U.S. Fish and Wildlife Service](#) , and [U.S. Geological Survey](#)

²⁴ USBR WaterSMART. <<http://www.usbr.gov/WaterSMART/water.html>>

WaterSMART Cooperative Watershed Management Program

- [Examples of Previously Selected Proposals](#)
- [Water Conservation Field Services Program](#)
- [WaterSMART Clearinghouse](#)

Source: USDOJ/Bureau of Reclamation/ WaterSMART Grants <<http://www.usbr.gov/WaterSMART/grants.html>>

Table L-6. WaterSMART Grants Information

Cost-shared Funding for the Following Types of Projects	
Water and Energy Efficiency Grants	Projects that save water, improve energy efficiency, address endangered species and other environmental issues, and facilitate transfers to new uses. More...
System Optimization Review Grants	A System Optimization Review (Review) is a broad look at system-wide efficiency focused on improving efficiency and operations of a water delivery system, water district, or water basin. The Review results in a plan of action that focuses on improving efficiency and operations on a regional and basin perspective. More...
Advanced Water Treatment and Pilot and Demonstration Project Grants	Pilot and demonstration projects that address the technical, economic, and environmental viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale. More...
Grants to Develop Climate Analysis Tools	Projects focused on the information gaps detailed in the joint Reclamation and U.S. Army Corps of Engineers (USACE) Report titled "Addressing Climate Change in Long-Term Water Resources Planning and Management: User Needs for Improving Tools and Information" (Section 3). Projects support the ongoing efforts under 9503(b) of the SECURE Water Act and may help narrow uncertainties, provide information in more usable forms, or develop more robust strategies for incorporating uncertainty into water management decision-making. More...

Source: USDOJ/Bureau of Reclamation/ WaterSMART Grants <<http://www.usbr.gov/WaterSMART/grants.html>>

L.4 GRANT FUNDING MATRIX

As stated in the beginning of this section, the disposition of any grant or loan program is often unknown from year to year based on the funding appropriations process. The tables listed below provide a means of tracking and updating the most current understanding of the potential funding sources. These tables are comprehensive and categorized as follows:

- **Table L-7**, Grant Funding Matrix Programs, Federal Stimulus
- **Table L-8**, Grant Funding Matrix Programs, State Drinking Water
- **Table L-9**, Grant Funding Matrix Programs, State IRWM and Groundwater
- **Table L-10**, Grant Funding Matrix Programs, State Recycled and Storm Water
- **Table L-11**, Grant Funding Matrix Programs, State Habitat Restoration
- **Table L-12**, Grant Funding Matrix Programs, State Beaches and Federal Wetlands Restoration
- **Table L-13**, Grant Funding Matrix Programs, USBR WaterSMART

Table L-7. Grant Funding Matrix Programs, Federal Stimulus

Program	Brief Description	Key Points	Key Application	Contact Info
Federal Stimulus (American Recovery & Reinvestment Act) in California				
CDPH, Safe Drinking Water State Revolving Fund	Projects that assist in achieving or maintaining compliance with the Safe Drinking Water Act (SDWA). Includes source water protection projects.	Eligible funding currently at \$78.77 M	Planning applications due March 24, 2014 Construction applications due June 23, 2014	http://www.cdph.ca.gov/services/funding/Pages/SRF.aspx dwpfunds@cdph.ca.gov
SWRCB, Clean Water State Revolving Fund (CWSRF)	Provides funding under the American Recovery and Reinvestment Act of 2009 to California to capitalize its revolving loan fund for financing and construction of wastewater treatment facilities and associated infrastructure, green infrastructure, nonpoint source (NPS) projects, estuary projects, and program administration.	Program funding: \$280 M (SFY 12/13) No state matching required. No upper limit for project; however maximum annual funding cap of \$50 M per agency per year.	Applications under Economic Stimulus Package.	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/index.shtml CleanWaterSRF@waterboards.ca.gov Division of Financial Assistance (DFA) home page: http://www.waterboards.ca.gov/water_issues/programs/grants_loans/ Note: The DFA administers the implementation of the SWRCB's financial assistance programs, that include loan and grant funding for construction of municipal sewage and water recycling facilities, remediation for underground storage tank releases, watershed protection projects, USEDA pollution control projects, etc.

Table L-8. Grant Funding Matrix Programs, State Drinking Water

Program	Brief Description	Key Points	Key Application Dates	Contact Info
State				
Drinking Water, General – CA Department of Public Health (CDPH)				
CDPH, Prop 84 Section 75021: Safe Drinking Water Emergency Funding	To fund emergency and urgent actions to ensure safe drinking water supplies. Eligible projects include, but are not limited to, the following: <ul style="list-style-type: none"> • Provide alternate water supplies including bottled water where necessary to protect public health. • Improvements in existing water systems necessary to prevent contamination or provide other sources of safe drinking water including replacement wells. Establishing connections to adjacent water system. • Design, purchase, installation and initial operation costs for water treatment equipment and systems. 	Minimum 50% cost share Maximum: \$250 K per project	Applications not currently open; prior pre-application period closed in September 2008.	http://www.cdph.ca.gov/services/funding/Pages/Prop84.aspx 916-449-5600 dwpfunds@cdph.ca.gov
CDPH, Prop 84 Section 75022: Small Community Infrastructure Improvements for Chemical and Nitrate Contaminants	To fund grants for small community drinking water system infrastructure improvements and related actions to meet safe drinking water standards. Priority shall be given to projects that address chemical and nitrate contaminants, and other health hazards.	Minimum: 50% cost share Maximum: \$5 M per project.	CDPH is no longer accepting pre-applications for Prop 84 Section 75022 funding.	http://www.cdph.ca.gov/services/funding/Pages/Prop84.aspx 916-449-5600 dwpfunds@cdph.ca.gov

Table L-9. Grant Funding Matrix Programs, State IRWM and Groundwater

Program	Brief Description	Key Points	Key Application Dates	Contact Info
Integrated Regional Water Management (IRWM)				
DWR, Prop 84 Chapter 2 & Prop 1E Article 4: Integrated Regional Water Management (IRWM)	Projects that assist local public agencies to meet long-term state water needs, including delivery of safe drinking water, protection of water quality, and protection of the environment. For use in Development/Revision of IRWM Plans, or Implementation projects of IRWM Plans.	Funds awarded to date: Prop. 84 Round 1: \$150 M Round 2: \$131.1 M recommended to fund 139 projects Prop. 1E Storm Water Flood Management (SWFM) Round 1 and Round 2: \$269 M	Proposed projects must be included in approved IRWM Plan. Prop. 84 Round 3: Expected to open in 2014. Prop. 1E Round 3 Implementation Grant (pending appropriation): Winter 2014/2015.	http://www.water.ca.gov/irwm/grants/index.cfm DWR_IRWM@water.ca.gov
Groundwater				
CDPH, Prop 84 Section 75025: Groundwater Contamination	Grants to prevent or reduce contamination of groundwater that serves as a source of drinking water.	Available Funding: \$60 M. Max per applicant: \$10 M. Funds awarded to date: Round 1 and 2: \$46 M. Projects must be completed within three years of funding agreement execution.	Open invitation period has ended. CDPH is not accepting applications at this time.	www.cdph.ca.gov/ser_vices/funding/Pages/Prop84.aspx 946-449-5600 dwpfunds@cdph.ca.gov
DWR, Prop 84: Local Groundwater Assistance Program	Groundwater studies, groundwater monitoring, groundwater management activities.	Program funds: \$4.7 M funded in 2011-2012 \$4.8 M funding in 2012-2013 Up to \$250,000 per applicant	Applications not currently open.	http://www.water.ca.gov/lgagrant/ Laura.Peters@water.ca.gov
SWRCB, Underground Storage Tank (UST) Cleanup Fund	Federal and state governmental entities are not eligible for reimbursement from the Fund. Program created to provide a means for petroleum UST owners and operators to meet federal and state requirements. Fund also assists in a large number of small businesses and individuals by providing reimbursement for unexpected and catastrophic expenses associated with the cleanup of leaking petroleum USTs.	Available Funding: \$30 M from unexpended FY 11/12 site budgets to pay for over-budget costs incurred in FY 11/12 and additional funding for FY 13/14 site budgets. Maximum reimbursement per occurrence is \$1.5 M less the eligible claimant's applicable level of financial responsibility, also known as claimant's deductible.	Applications accepted on a continuous basis.	www.waterboards.ca.gov/water_issues/programs/ustcf/ USTcleanupfund@waterboards.ca.gov

Table L-10. Grant Funding Matrix Programs, State Recycled and Storm Water

Program	Brief Description	Key Points	Key Application Dates	Contact Info
Recycled Water				
SWRCB, Prop. 13/50: Water Recycling Construction Grants	Grants provided for design and construction of water recycling facilities. All proposed projects must be placed on the SWRCB's WRCP Competitive Project List (CPL) and/or the SRF Priority List to be considered.	25% of eligible construction cost up to \$5 M.	Applicants accepted on a continuous basis.	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/
SWRCB, Prop. 13/50: Water Recycling Facilities Planning Grants	Grants provided for facilities planning studies to determine feasibility of using recycled water to offset use of fresh/potable water from state and/or local supplies. Pollution control studies, in which water recycling is an alternative, are not eligible.	50% of eligible costs up to \$75 K.	Applicants accepted on a continuous basis.	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/
Stream & Habitat Restoration				
CA State Parks, Prop. 1E: Habitat Conservation Fund Program	Eligible funding categories: <ul style="list-style-type: none"> ▪ Deer/Mountain Lion habitat land acquisition ▪ Rare, endangered, threatened, or fully protected species habitat land acquisition ▪ Wetlands habitat projects ▪ Acquisition, enhancement, or restoration of anadromous salmonids and anadromous trout habitat ▪ Acquisition, enhancement, or restoration of riparian habitat ▪ Acquisition, enhancement, restoration of trails ▪ Acquisition or development of trails program ▪ Event or series of events intended to bring urban residents into areas with indigenous plants and animals 	\$2 M available annually through FY 2019/2020. No Min/Max; Recommended maximum \$200 K. Required match of 50%.	Applications deadline the first work day of October annually.	http://www.parks.ca.gov/?page_id=21361 localservices@parks.ca.gov
DWR, Prop. 84 Chapter 5: Urban Streams Restoration Program	Grants and technical assistance to local communities for projects to reduce flooding and erosion and associated property damages; restore, enhance, or protect the natural ecological values of streams; and promote community involvement, education, and stewardship. Eligible applicants: local public agencies, non-profit/citizens' groups.	\$9 M remain in Prop. 84 and Prop. 13 funds to implement this program. Eligible applicants: local public agencies, non-profit/citizens' groups.	Next application solicitation is tentatively scheduled for release during winter of 12/13 Fiscal Year.	http://www.water.ca.gov/urbanstreams/

Table L-11. Grant Funding Matrix Programs, State Habitat Restoration

Program	Brief Description	Key Points	Key Application Dates	Contact Info
Land and Water Conservation, Wildlife Conservation				
CA State Parks: Land and Water Conservation Fund	Acquisition or development of lands and facilities that provide or support public outdoor recreation.	Max 50% of total project cost up to \$2 M. Funds are divided: 60% available for Local Agency Competitive Grants. 40% available to state agencies on a pro-rata competitive basis.	Deadline: February 3 rd , every year for Local Agency Applications.	www.parks.ca.gov/?page_id=21360
CA Wildlife Conservation Board: Various	Wildlife Conservation Board's three main functions are land acquisition, habitat restoration and development of wildlife oriented public access facilities. Wildlife Conservation Board programs include: <ul style="list-style-type: none"> ▪ California Forest Conservation Program (CFCP) ▪ California Riparian Habitat Conservation Program (CRHCP) ▪ Ecosystem Restoration on Agricultural Lands (ERAL) ▪ Habitat Enhancement and Restoration Program (General) 		Applications accepted continuously.	https://www.wcb.ca.gov/
Beaches and Stormwater				
SWRCB, Prop. 84: Clean Beaches Initiative Grant	Provides funding for projects that restore and protect water quality and environment of coastal waters, estuaries, bays, and near shore waters. Funding priority is given to projects that reduce bacterial contamination on California public beaches. Two types of concept proposal applications: implementation projects and research projects. Eligible applicants: Public agencies, 501(c)(3,4,5), nonprofit organizations, public colleges, Indian Tribes.	Available Funding: \$37 M \$36 M for capital improvement projects that reduce bacterial contamination at priority beaches \$10 M max towards fecal indicator bacteria FIB projects Potential award limits: \$150 K to \$5 M 20% matching for projects > \$1 M 15% match for projects < \$1 M Matching for DACs: 10% match for projects > \$1 M 5% match for projects < \$1 M	Accepting concept proposals for implementation projects from October 25, 2013 to January 13, 2014.	http://www.waterboards.ca.gov/water_issues/programs/beaches/cbi_projects/index.shtml
SWRCB, Prop. 84: Stormwater Grant Program	Projects designed to reduce and prevent stormwater contamination of rivers, lakes, and streams. Eligible applicants: Local Public Agencies.	Program funds: \$38.4 M Award limits: \$250 K to \$3 M 20% match of total project cost match reduction for DACs	Round 2 Full Proposals due January 2014.	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/prop84/

Table L-12. Grant Funding Matrix Programs, State Beaches and Federal Wetlands Restoration

Program	Brief Description	Key Points	Key Application Dates	Contact Info
Federal				
U.S. Army Corps of Engineers – Section 206 Aquatic Ecosystem Restoration Projects	<p>For local government projects to restore aquatic ecosystems.</p> <p>Projects are evaluated to determine if they benefit the environment through restoring, improving, or protecting aquatic habitat for plants, fish and wildlife.</p> <p>Proposed projects are also reviewed to determine if they are technically feasible, environmentally acceptable, and provide cost effective environmental benefits.</p> <p>Each project must be complete within itself and not part of a larger project.</p>	<p>Maximum federal expenditure per project is \$5 M.</p> <p>Project costs are shared 65% federal and 35% non-federal.</p> <p>Study costs: shared 50% federal and 50% non-federal after the first \$100,000 in study costs. The first \$100,000 in study cost is federally funded.</p>	Continuously soliciting programs to carry out the program objectives.	http://www.nae.usace.army.mil/Missions/PublicServices/ContinuingAuthoritiesProgram/Section206.aspx
USEPA: Targeted Watersheds Grant Program	Designed to encourage community-based approaches and management techniques to protect and restore watersheds	<p>Approximately \$50 M awarded since inception.</p> <p>Unknown future funding.</p>	Currently not accepting applications.	
USEPA, Region 9: Wetland Program Development Grants	Assistance for public agencies and non-governmental organizations to improve their ability to protect and improve wetlands and related aquatic resources in the Pacific Southwest Region	<p>\$1.6 M available funding for 2013/2014.</p> <p>Award range: \$50 K to \$350 K.</p> <p>EPA funding max = 75%.</p>	Currently not accepting applications.	Suzanne Marr marr.suzanne@epa.gov

Table L-13. Grant Funding Matrix Programs, USBR WaterSMART

Program	Brief Description	Key Points	Key Application Dates	Contact Info
USBR WaterSMART (Sustain and Manage America's Resources for Tomorrow)				
WaterSMART – Water and Efficiency Grants	Projects should seek to conserve and use water more efficiently, increase the use of renewable energy, protect endangered species, or facilitate water markets.	Reclamation provides 50/50 cost-shared funding on a competitive basis to non-federal partners that wish to implement water conservation and efficiency projects.	Continuously soliciting programs to carry out the program objectives.	http://www.usbr.gov/WaterSMART/grants.html http://www.usbr.gov/WaterSMART/docs/WaterSMART-thee-year-progress-report.pdf
WaterSMART – System Optimization Review (SOR) Grants	For studies to evaluate means of saving water via conservation and to develop a plan that includes elements of water conservation, delivery, water management, water basin, water marketing and preventing conflicts over water.	Irrigation and water districts, Tribes, states, and others with water or power delivery authority apply for funding of projects that can be completed in 2 to 3 years.	Continuously soliciting programs to carry out the program objectives.	
WaterSMART – Advanced Water Treatment and Pilot and Demonstration Grants	For pilot or demonstration projects that test the viability of advanced water treatment technologies.		Currently not accepting applications.	
WaterSMART – Grants to Develop Climate Analysis Tools	For projects focused on information gaps detailed in joint USBR and USACE report titled “Addressing Climate Change in Long-Term Water Resources Planning and Management: User Needs for Improving Tools and Information” (Section 3).		Currently not accepting applications.	
Water Conservation Field Services program	For water conservation and efficiency.	\$100 K max in federal funding per project.	Currently not accepting applications.	
USBR, Title XVI	Recycled water feasibility investigations, preliminary engineering studies and research projects. Brackish water desalination is also considered.	\$126 M as stated in ARRA.		http://www.usbr.gov/lc/socal/titlexvi.html Dennis Wolfe, Area Engineer, at dwolfe@usbr.gov or by phone at 951-695-5310

