



Economic Stimulus Funding

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Federal Stimulus Funds = Protecting Water Quality & Creating Jobs

The California State Water Resources Control Board (State Water Board) received approximately \$280 million in federal economic stimulus funds to help fund clean water projects.

These water quality projects also created or retained jobs. At its peak, the stimulus funds were supporting approximately 500 jobs in California.

The projects receiving the funds include (but are not limited to):

- the upgrade or expansion of sewer infrastructure and treatment plants
- the restoration of waterways,
- the treatment or elimination of storm water, and
- the use of innovative methods to use and recycle water.



The San Andreas Wastewater Treatment Plant was upgraded with federal economic stimulus dollars.

Prior to receiving the federal funding, the State Water Board conducted eight workshops statewide to ensure quick commitment and disbursement of stimulus funds across the state. Board staff accomplished that job in record time.

Under the American Recovery and Reinvestment Act of 2009, which provided the Recovery funding, at least 50% of the money must be distributed as grants. In addition to the grants, the State Water Board is provided zero and ultra low interest (1%) loans.

In addition to awarding the federal economic stimulus funds, the State Water Board loaned more than \$200 million in money from the Clean Water State Revolving fund for stimulus projects.

Investing In Disadvantaged Communities

The State Water Board used \$90 million in grants for communities that need it the most and might not have qualified for a loan. These are communities with median household incomes of \$46,731 or less, which is below 80% of the statewide median household income.

People who live in small communities face many water quality challenges including undersized wastewater treatment plants that are unable to fully treat the communities' wastewater.



The Delano Wastewater Treatment Plant is the first to receive federal economic stimulus funding in California.

Within hours of receiving the federal economic stimulus funding from US EPA Region 9, the State Water Board awarded the first contract to one of these communities – the City of Delano in Fresno County. It received a \$2 million grant and a \$31.4 million (1%) loan for the expansion of its wastewater treatment plant. The project also increased the plant's capacity and reduced groundwater pollution as well as constructed additional sewer lines to prevent sewage overflows.



Responsible Spending And Financing Experience

Projects that received funding through the State Water Board were screened through a process that included criteria for recipients to have the technical, financial, and managerial experience to ensure project completion, wise financial decisions, and loan payback capability.

Each applicant for state and federal funds must comply with the Public Contracting Code. The State Water Board's engineering staff reviews the plans and specifications of each project to see that the design is reasonable and capable of achieving the design objectives. Recipients must submit quarterly progress reports to the engineer (project manager) throughout construction. Each request for payment includes backup invoices and is reviewed by the project manager (as well as administrative staff) to make sure that the costs claimed for reimbursement are reasonable and for the project approved for financing. Project managers make spot inspections during construction to verify that construction is proceeding as reported. Each project undergoes a one year oversight review period with the project manager conducting an operational inspection after about six months of operation to make sure the project is functioning correctly. After one year, the recipient has to certify that the project operates correctly and if it doesn't, the recipient must correct any operating deficiencies.

Each applicant must undergo a financial credit review, very similar to that done by any other lender, in order to be eligible for the federal economic stimulus funds.

Since 1987, the State Water Board has provided low-interest loans from the Clean Water State Revolving Fund (CWSRF) for qualified projects. The purpose of the revolving fund is to finance water quality solutions and prevent pollution of California waterways.

CWSRF funds have constructed publicly-owned wastewater treatment facilities, local sewers, sewer interceptors, water recycling facilities, watershed and estuary protection efforts, and storm water treatment. It has normally funded projects totaling approximately \$300 million/year.

Cleaning Underground Petroleum Contamination & Creating Jobs

In addition to the \$280 million the State Water Board received in federal economic stimulus funds for the Clean Water State Revolving Fund (CWSRF), it also received \$15.6 million to clean up petroleum contamination from leaking underground storage tanks. The properties are mostly abandoned gas stations considered "orphan sites" because no financially responsible party has been identified to pay for the cleanup, the responsible party is unwilling or unable to pay, or there is an emergency response needed.



There are approximately 150 identified orphan sites in California.

Eligible applicants include public agencies, non-profit groups, and private entities.

Left untreated, the contamination at these sites can block redevelopment of the properties, particularly those sites in city centers, thereby contributing to blight and joblessness in surrounding communities.

The financing for contracts to clean up the orphan sites is being processed through existing programs managed by the State Water Board – the Orphan Site Cleanup Fund and the Emergency, Abandoned & Recalcitrant Account.

The State Water Board expects that at least 100 jobs will be created in connection with the cleanup of orphan sites through federal economic stimulus funding.

For more information about California projects receiving/seeking federal stimulus dollars from the State Water Board, visit:

http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/economic_recovery/stimulus_report.pdf