

The Latest from California's Clean Water State Revolving Fund



American Public Works Association – Central California
Dinuba, CA
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You Are
Here!



You Want
To Be Here!



Division of Financial Assistance

- **Clean Water State Revolving Fund**
- **Small, Disadvantaged Community Grants (Wastewater)**
- **Wastewater Recycling**
- Agricultural Drainage
- Sea Water Intrusion
- Cleanup & Abatement
- Areas of Special Biological Significance
- Clean Beaches
- Nonpoint Source Pollution
- Storm Water
- Underground Petroleum Tank Cleanup & Replacement



Approximate Annual Disbursements ~ \$650 million

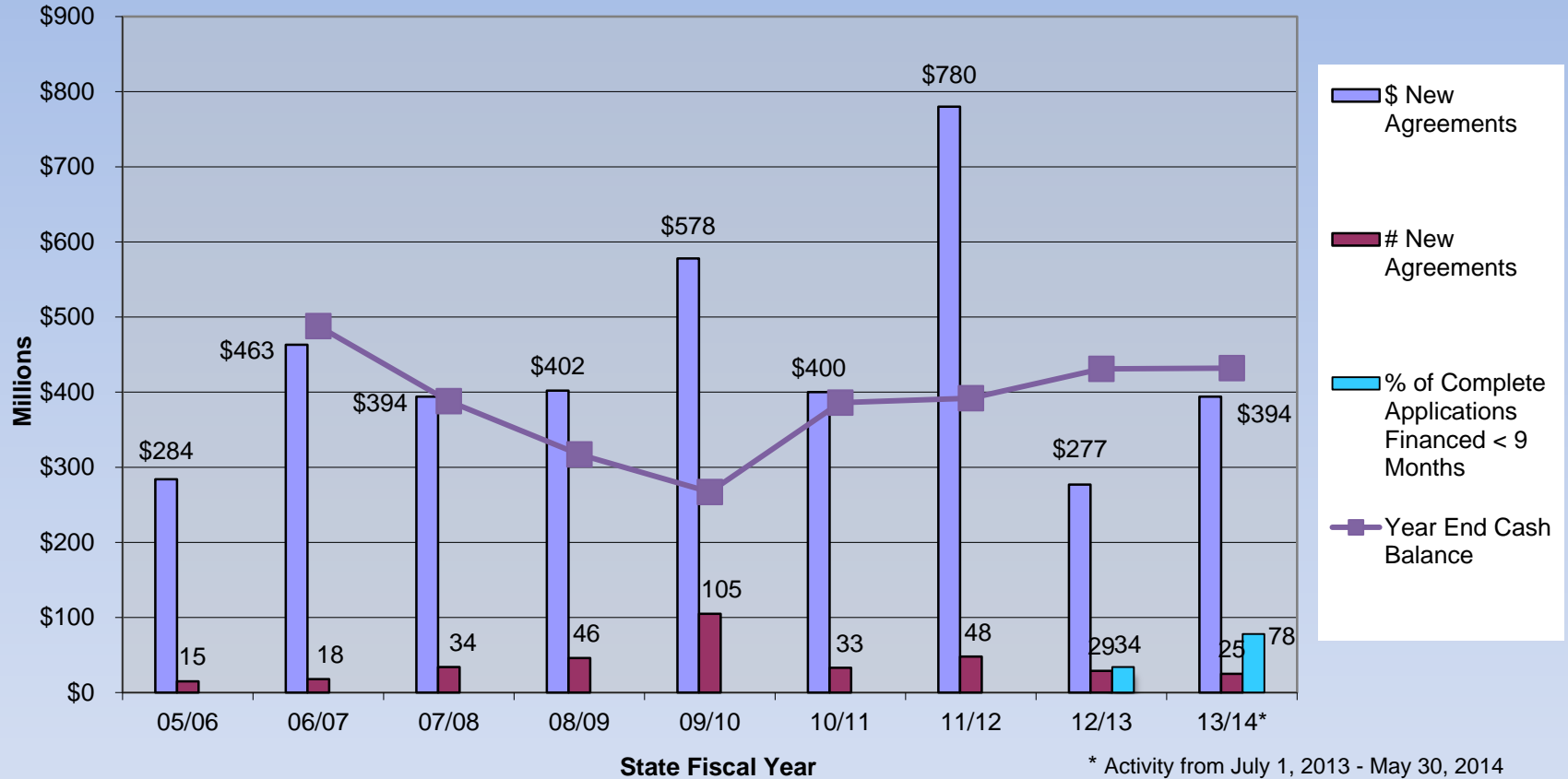
Clean Water State Revolving Fund

- Primarily Low Interest Loans with Limited Principal Forgiveness
- \$7 Billion Since 1989; Average \$450 Million Annually
- Continuously Appropriated Enterprise Fund; No General Fund



CWSRF Activity & Cash Balance

CWSRF Financing Activity



Performance Target

95% of Complete Applications Financed < 9 Months

CWSRF Eligibility

| | |
|-------------------|--|
| Projects | (1) Publicly-Owned Treatment Works (Wastewater & Storm Water) Plant Construction & Upgrades Sewers and Sewer Rehabilitation Septic-to-Sewer Water Reclamation – Upgrades/Distribution/Storage Solids Handling Systems Combined Sewers (2) Non-Point Source & Storm Water (3) Estuary Plans (SF Bay, Morro Bay, Santa Monica Bay) |
| Applicants | Cities, Counties, Districts, Joint Powers Authorities, State Agencies, Non-Profits and Private Entities (Select Categories), and Tribes |
| Costs | Planning, Design, Construction, Construction Management, Administration, and Value Engineering |

CWSRF Financing Terms



| | |
|-------------------------|--|
| Interest Rate | Current = 1.9% (½ last CA General Obligation bond rate) Water Recycling = 1% (Up to \$800 million; must have complete application by 12/1/15) |
| Deadlines | Applications Accepted Continuously. |
| Term | Up to 30 Years or Useful Life of the Project. |
| Financing Amount | No Maximum! No Disbursement Cap! Approval Based on Cash Flow. |
| Repayment | Annual Payments Begin 1 Year After Completion of Construction; Limited Principal Forgiveness. |

CWSRF Principal Forgiveness

- Only Available if Congress Appropriates Funds
- 2 Categories* split 60%/40%
- Category 1: Small, Disadvantaged Communities with Substantial Costs
 - Rate >1.5% of MHI**; Population < 20,000; MHI < 80% of statewide MHI
 - Rate >4.0% of MHI; Population < 20,000
- Category 2: Other Disadvantaged Communities
 - MHI < 80% of statewide MHI
 - Areas within community < 80% of statewide MHI (pro rata)
- 2014 Principal Forgiveness
 - Category 1: \$4.9 M
 - Category 2: \$3.3 M

* Project specific eligibility and limitations can be found in the CWSRF's annual *Intended Use Plan*.

** Median Household Income

CWSRF Improvements & Changes

- Application/Process Changes
 - Eliminate Redundant & Outdated Questions & Requirements
 - Clarify Requirements; Combine & Simplify Steps
 - New Fillable pdf Forms → 4 Application “Packages”
 - Self-Certifications & Templates
 - Online & Electronic Application
 - Reduce resubmittal of documents for “frequent financiers”
- Policy Changes
 - Eliminate Pre-Application for “Priority List”
 - Change Orders/Contingencies Now Eligible
 - Added Discretion on Loan Lien Status
 - Add Design Financing as Stand-Alone Financing (Optional)
 - Stand-Alone Planning/Design Financing Can Be 5 or 10 Years
 - 30-Year Financing for All Projects
 - Reduced Interest Rate for Near Term Water Recycling (Drought) Projects
 - Variable Repayment Schedules to Level Overall Debt Payments

Category 1: Small, Disadvantaged Community (SDAC) Assistance

*Cat. 1 SDAC: Rate >1.5% of MHI; Population < 20,000;
community MHI < 80% of statewide MHI*

- 5 Staff + Technical Assistance Contractor Dedicated to Assisting SDACs
- Additional Subsidy
 - Principal Forgiveness + Small Community Grant (SCG) Fund + GO Bond Funds
 - Reduced interest rate
 - Refinance existing wastewater debts to make new project affordable
- Applications Accepted & Approved Continuously
 - Application forms & approval process = CWSRF forms & approval process

Water Recycling Funding Program

- Promote Wastewater Reuse to Augment/Offset State/Local Fresh Water or Meet Discharge Limits
- Applications Accepted & Approved Continuously
 - Application forms & approval process = CWSRF forms & approval process plus user assurances
- Low Interest Loans + Minimal Grants
 - 1% Rate (\$800 million) if Application Complete by 12/1/15
 - Planning grants – 50% of eligible costs up to \$75,000 max

| | |
|-------------------|--|
| Applicants | Public Agencies and Privately-Owned Utilities Regulated by Public Utilities Commission |
| Projects | Treatment, Distribution, Groundwater Recharge, Feasibility Studies, Research |
| Costs | Planning, Design, Construction, Construction Management, Administration, and Value Engineering |

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More Information

- Division of Financial Assistance
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/
- Clean Water State Revolving Fund
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/index.shtml
- Small, Disadvantaged Communities
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/small_community_wastewater_grant/strategy.shtml
- Water Recycling Funding Program
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/index.shtml

Questions

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