

Tulare Lake Basin Disadvantaged Community Water Study Stakeholder Oversight Advisory Committee

4:30 PM on Monday, December 2, 2013

BOARD OF SUPERVISORS CONFERENCE ROOMS A&B
ADMINISTRATION BUILDING
2800 W. BURREL AVE.
VISALIA, CALIFORNIA 93291

NOTICE TO THE PUBLIC PUBLIC COMMENT PERIOD

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Tulare Lake Basin Disadvantaged Community Water Study Stakeholder Oversight Advisory Committee at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for the Tulare Lake Basin Disadvantaged Community Water Study Stakeholder Oversight Advisory Committee's consideration. Any person addressing the Tulare Lake Basin Disadvantaged Community Water Study Stakeholder Oversight Advisory Committee will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak. At all times, please state your name and address for the record.

AGENDA

1. Call to Order
2. Additions/ Deletions from Agenda
3. Public Comments
4. Overview of the Purpose and Objectives of the Meeting (CWC)
5. Update on the Progress of the Study (P&P)
6. Upper Kings DAC Pilot Study Outcomes Presentation (Kings Basin Water Authority)
7. New Funding Programs for DACs (CPDH)
8. Administrative Matters
9. Committee Comments
10. Future SOAC Meetings

Stakeholder Oversight Advisory Committee Contact:
Denise Akins
Administrative Analyst- Water Resources (559) 636-5005

As a courtesy to those in attendance, please turn off or place in alert mode all cell phones and pagers.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board's Office at (559) 636-5000

Estudio del Agua en las Comunidades de Bajos Recursos en la Cuenca del Lago Tulare

Comité Asesor y Supervisor de las Partes Interesadas

Lunes 2 de diciembre del 2013 a las 4:30 PM

MESA DE SUPERVISORES CUARTO DE CONFERENCIA A&B
EDIFICIO DE ADMINISTRACION
2800 W. BURRELL AVE.
VISALIA, CALIFORNIA 93291

AVISO AL PUBLICO PERIODO DE COMENTARIO PUBLICO

En este momento, los miembros del público pueden hacer comentarios sobre cualquier tema que no aparezca en la agenda. Bajo la ley estatal, el Comité Asesor y Supervisor de las Partes Interesadas del Estudio del Agua de Comunidades con Desventajas en el Lago de Tulare no podrá discutir ni tomar decisión sobre las cuestiones presentadas durante este periodo. Para los temas que aparecen en la agenda, el público está invitado a hacer comentarios en el momento que el tema pueda ser considerado por el Comité Asesor y Supervisor de las Partes Interesadas del Estudio del Agua de Comunidades con Desventajas en el Lago de Tulare. Cualquier persona que se dirija al Comité Asesor y Supervisor de las Partes Interesadas del Estudio del Agua de Comunidades con Desventajas en el Lago de Tulare se tendrá que limitar a un máximo de tres (3) minutos para que todas las partes interesadas tengan la oportunidad de hablar. Por favor diga su nombre y dirección para el registro en todo momento.

AGENDA

1. Llamada a la Orden
2. Modificaciones a la Agenda
3. Comentarios Públicos
4. Resumen del Propósito y Objetivos de esta Junta (CWC)
5. Reporte del Progreso del Estudio (P&P)
6. Presentación sobre la Conclusión del Estudio Piloto Para Las Comunidades de Bajos Recursos dentro de la Cuenca de Kings (La Autoridad del Agua de La Cuenca de Kings)
7. Nuevos Programas de Financiación para las Comunidades de Bajo Recursos (CDPH)
8. Temas Administrativos
9. Comentarios del Comité
10. Próximas Juntas del SOAC

Persona de contacto en el Comité Asesor y Supervisor de las Partes Interesadas:
Denise Akins-Administrative Analyst- Water Resources (559) 636-5005

Como una cortesía a los asistentes, por favor apague o ponga en silencio todos los teléfonos celulares y busca personas.

En cumplimiento de la Ley de Estadounidenses con Discapacidades, si usted necesita asistencia especial para participar en esta reunión, por favor póngase en contacto con la oficina del funcionario de la Junta al (559) 636-5000

Tulare Lake Basin Disadvantaged Community Water Study - Progress Update

Estudio del Agua en Las Comunidades de Bajo Recursos dentro de la Cuenca del Lago de Tulare - Reporte del Progreso

December 2, 2013

2 de diciembre del 2013

- | | |
|-------------------------------|--------------------------------------|
| 1. Status of Each Pilot Study | 1. Estatus de cada Piloto de Estudio |
| 2. Next Steps | 2. Próximos Pasos |
| 3. Role of the SOAC | 3. Papel del SOAC |



Task 4

**Implement Pilot Project Stakeholder Process
to Develop Studies and Representative
Solutions to Priority Issues**

Tarea 4

**Implementación del Proceso del Proyecto
Piloto de las partes interesadas para
Desarrollar Estudios y Soluciones
Representativas a los Temas Prioritarios.**



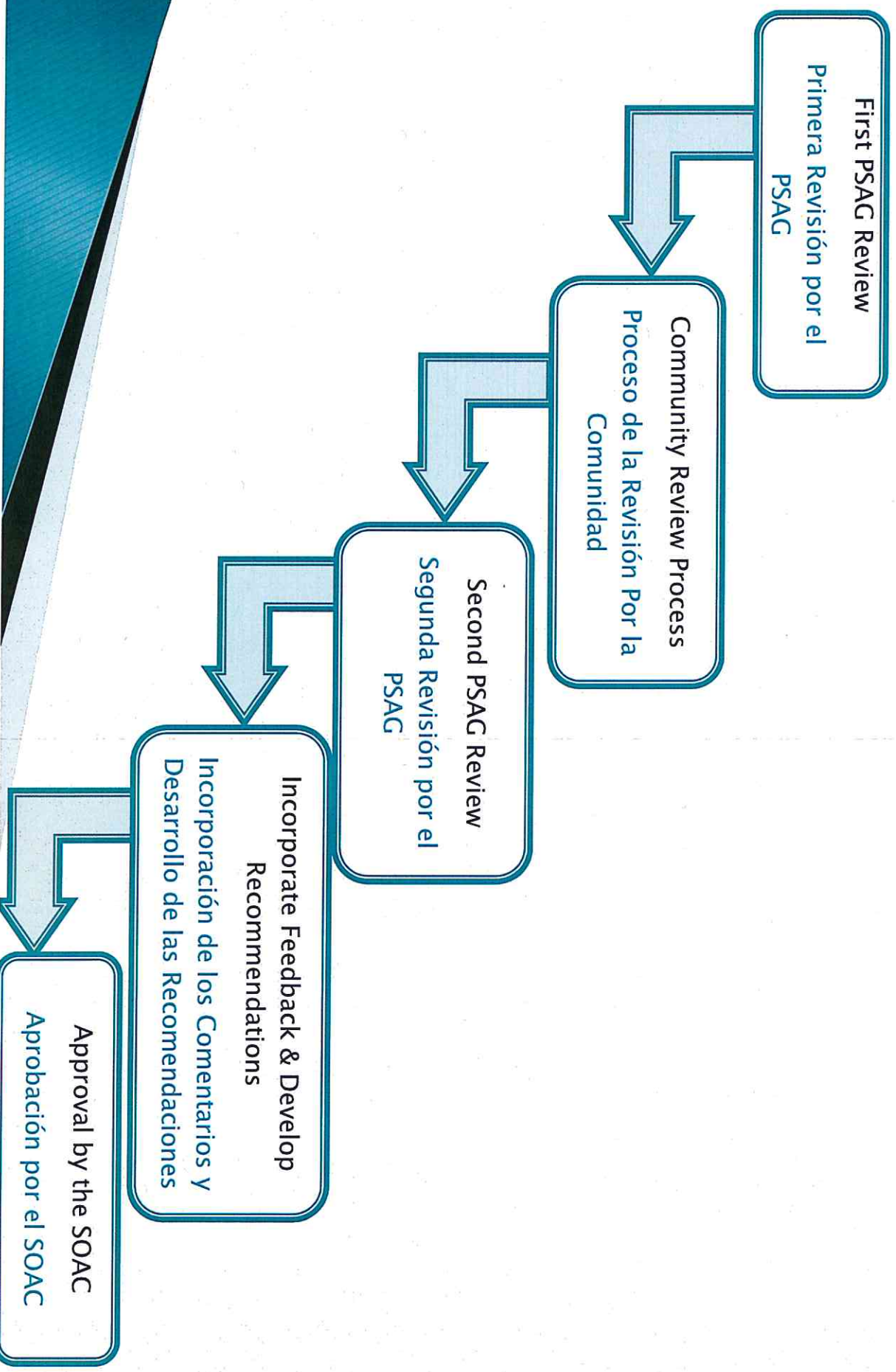
Pilot Project Topics

Temas del Proyecto Piloto

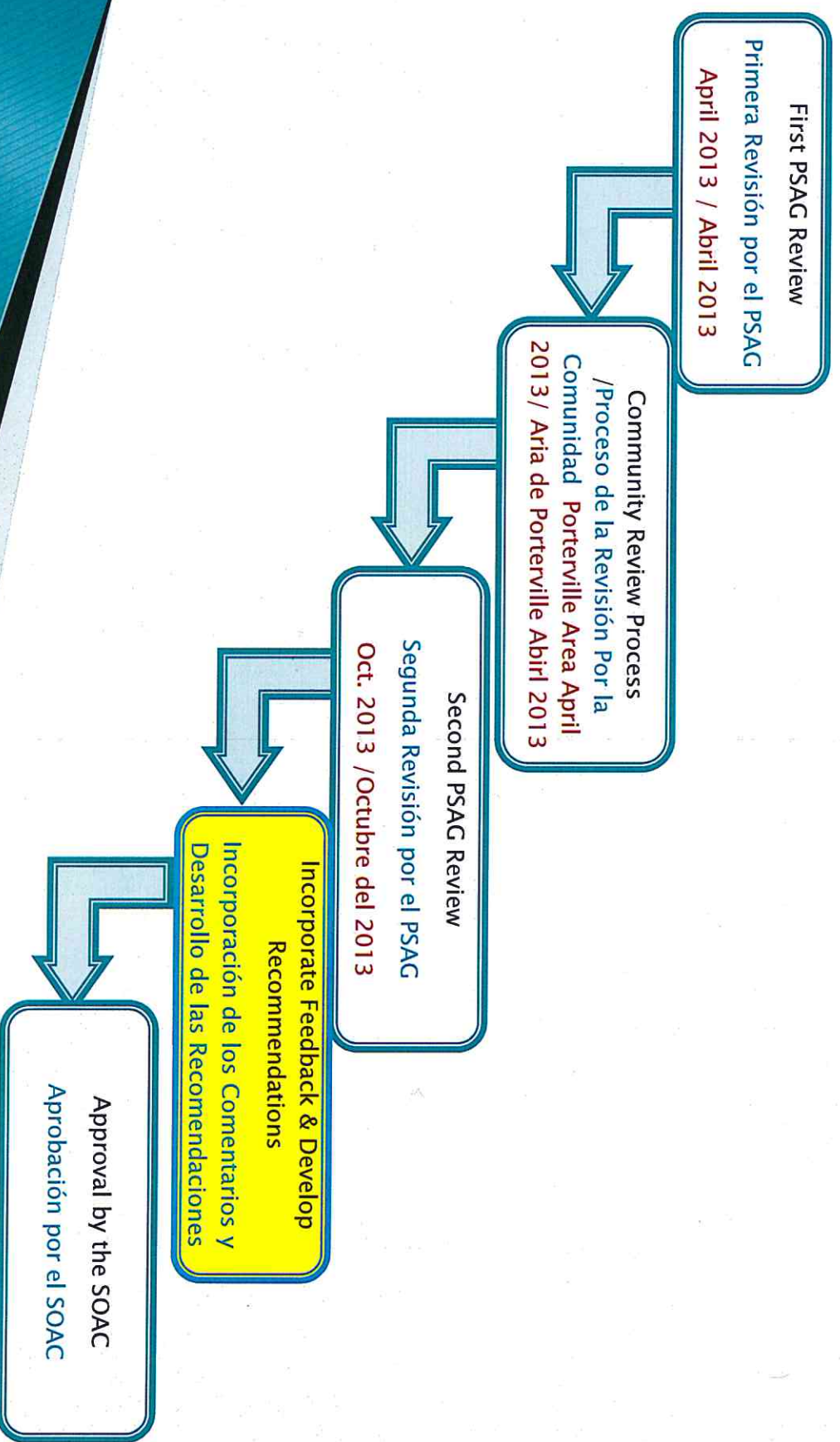
- ▶ Pilot Project Topic #1:
 - Management and Non-Infrastructure Solutions to Reduce Costs and Improve Efficiency
 - ▶ Pilot Project Topic #2:
 - Technical Solutions to Improve Efficiency/Reduce Operations & Maintenance
 - ▶ Pilot Project Topic #3:
 - New Source Development
 - ▶ Pilot Project Topic #4:
 - Individual Household Treatment
-
- Tema del Proyecto Piloto # 1:
 - Soluciones de Manejo y de No Infraestructura para reducir costos y mejorar la eficiencia
 - Tema del Proyecto Piloto #2:
 - Soluciones técnicas para mejorar la eficiencia / reducir las operaciones y mantenimiento
 - Tema del Proyecto Piloto #3:
 - Desarrollo de Nuevas Fuentes de Agua
 - Tema del Proyecto Piloto #4:
 - El tratamiento individual de los hogares

Stakeholder and Community Review Process

Proceso de Revisión por Las Partes Interesadas Y Comunidad

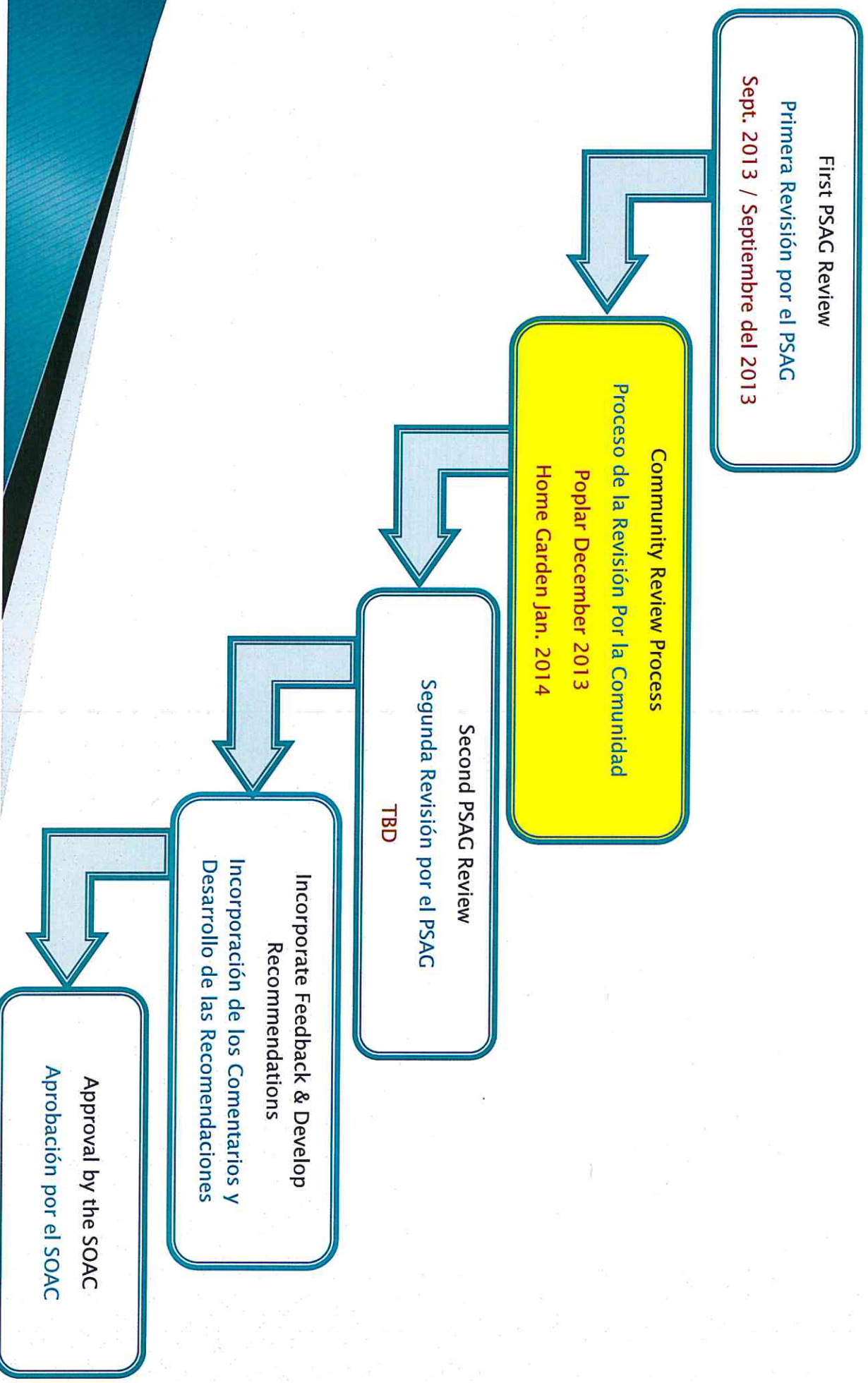


Management and Non-Infrastructure Solutions Pilot Piloto de Soluciones de Manejo y de No Infraestructura



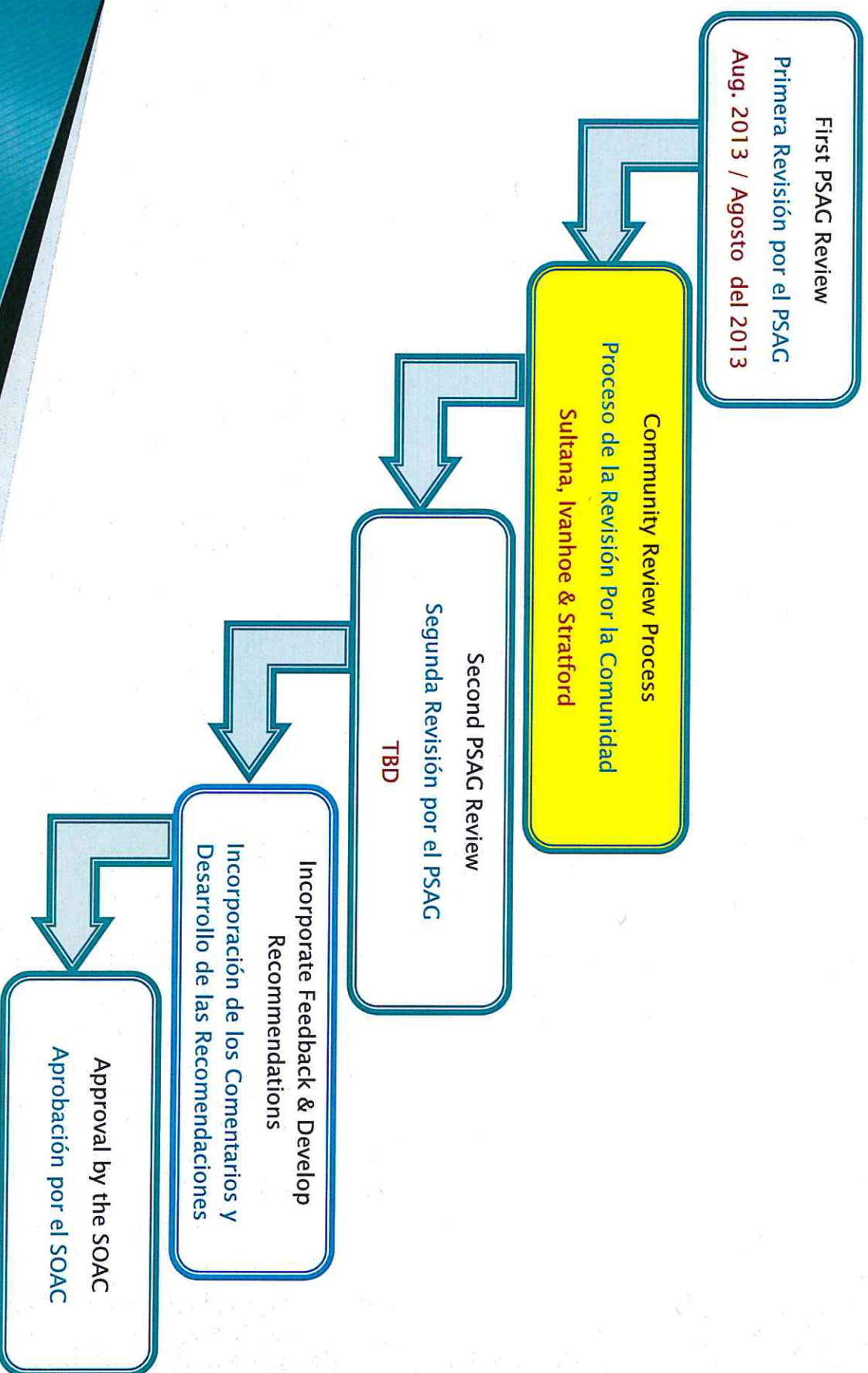
Technical Solutions Pilot

Piloto de Soluciones Técnicas



New Sources Pilot

Piloto de Nuevas Fuentes de Agua



Individual Households Solutions Pilot

Piloto de Soluciones para Hogares Individuales

First PSAC Review
Primera Revisión por el PSAC
December 5, 2013 / Diciembre del 2013

Community Review Process
Proceso de la Revisión Por la Comunidad
Jan. - Feb. 2013

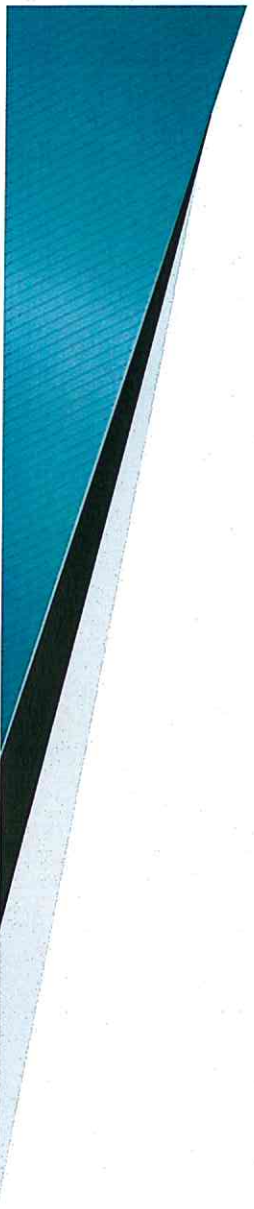
Second PSAC Review
Segunda Revisión por el PSAC

Incorporate Feedback & Develop Recommendations
Incorporación de los Comentarios y Desarrollo de las Recomendaciones

Approval by the SOAC
Aprobación por el SOAC

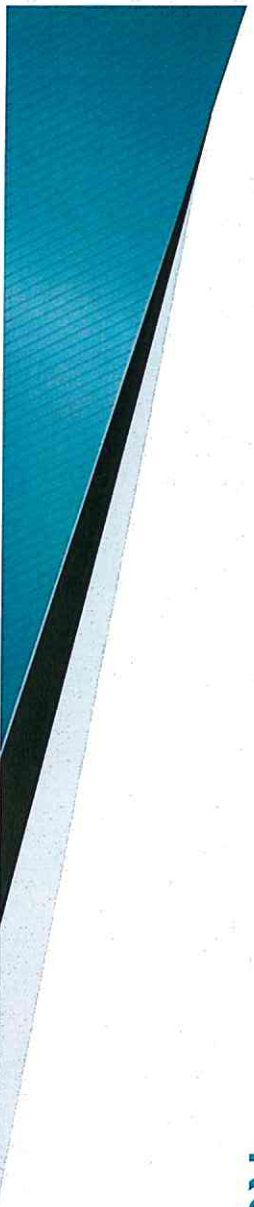
Next Steps / Próximos Pasos

- ▶ PSAC Mtg #1 Individual Households Pilot 12/5/13
- ▶ Complete Community Review Process & Second PSAC Review for 3 Pilots: Technical Solutions, New Sources & Individual Household
- ▶ Develop Recommendations for all Pilots
- ▶ Seek approval by the SOAC
- ▶ Final Report – August, 2014
- ▶ Junta #1 del PSAC Piloto de Soluciones para hogares individuales 12/5/13
- ▶ Finalizar el proceso de revisión por la comunidad y segunda revisión del PSAC para los 3 pilotos: Soluciones Técnicas, Nuevas Fuentes de Agua y Soluciones Para Hogares individuales
- ▶ Desarrollar Recomendaciones para todos los Pilotos
- ▶ Buscar la aprobación del SOAC
- ▶ Reporte final – agosto del 2014



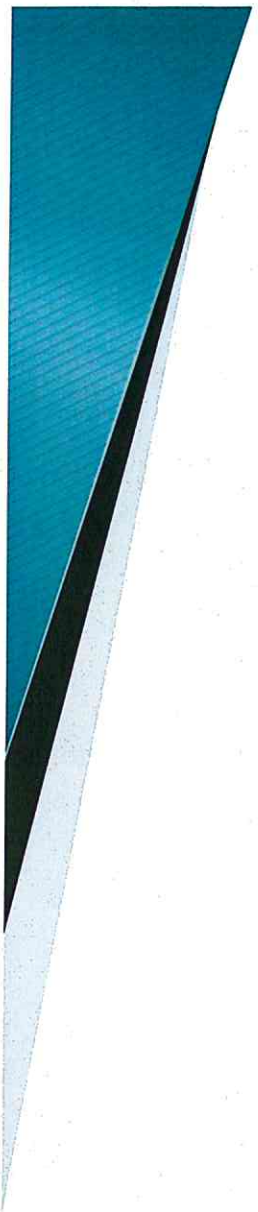
Role of SOAC / Papel del SOAC

- ▶ Provide Feedback
 - Draft Reports
 - PSAG Mtgs
- ▶ Attend SOAC Meetings
- ▶ Approve Recommendations and Final Report
- ▶ Proporcione Comentarios y Recomendaciones
 - Reportes
 - Juntas del PSAG
- ▶ Participe en las juntas del SOAC
- ▶ Apruebe las recomendaciones y Reporte Final



Questions and Input

Preguntas y Comentarios

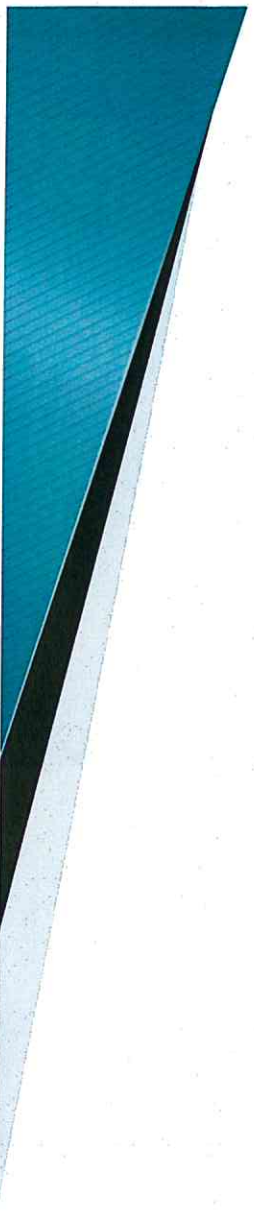


For More Information or to Access Draft Reports:

Para Mas Información o Para Tener Accesos a Los Reportes:

<http://www.tularecounty.ca.gov/cao/index.cfm/tulare-lake-basin-disadvantaged-community-water-study/>

[\(559\) 636-1166](tel:(559)636-1166)



California Department of Public Health

Division of Drinking Water & Environmental Management

Funding for Public Water Systems

Prepared by
Kim Wilhelm, P.E.

Updated by Tricia Wathen, P.E.
December 2013

Purpose of CDPH Drinking Water Funding Programs

- * To provide funding to eligible public water systems to bring them into compliance with safe drinking water standards.
- * Priority is based on risk to public health.
- * Each funding program has specific requirements, objectives and/or priorities.

Major Funding Sources

- * **Drinking Water State Revolving Fund 1998 (DWSRF)**
 - * **Approximately \$100M–\$150M annually:** This includes ~\$70M from USEPA, \$17M from State match and \$40M from P&I. Low-interest loans and some grants [HSC 116760.10 – 116762.60]
- * **Proposition 50 of 2002 (P50) – *Commitments sunset in June 2014***
 - * **Authorized \$485M:** Grants (local assistance), State Operations and Match for DWSRF [WC 7950 – 79534]
- * **Proposition 84 of 2006 (P84)**
 - * **Authorized \$300M:** Grants, (local assistance), State Operations and Match for DWSRF as well as \$10M for emergency grants [PPRC 75020 – 75025]

Drinking Water State Revolving Fund (DWSRF)

- * **Intended to bring eligible public water systems into compliance with safe drinking water standards**
- * **US EPA provides the state with a capitalization grant each year**
- * **The DWSRF is to be operated to exist in perpetuity**
- * **Eligibility:**
 - * Provides funding for Public Water Systems; Community Water Systems, and Non-Transient Non-Community Systems – not for profit, typically schools.
 - * A legal entity must exist that has authority to enter into contracts and incur debt on behalf of the community to be served and owns the PWS [HSC116760.50]
 - * Funds can be used for Feasibility/Planning Studies (up to \$500K) or Construction (max grant \$3M)

Drinking Water State Revolving Fund (DWSRF)

* Priorities/Project Ranking:

- * Annual Intended Use Plan describes priorities
- * 15 categories of eligible projects [A through O]
- * Categories based on health risk:
 - * A - Documented waterborne disease outbreaks
 - * B - Microbial contamination
 - * C - Unfiltered surface water and wells with fecal contamination.
 - * D - Surface Water Treatment violations, including open reservoirs
 - * E - Water outages (includes severe source/transmission deficit)
 - * **F -Nitrate contamination; chronic Total Coliform Rule violations**
 - * G -Distributed water exceeds chemical or radiological primary MCL
- * Funding for construction provided when water system has completed all required preliminary activities (design, environmental review, financial requirements)

Drinking Water State Revolving Fund (DWSRF)

* Constraints:

- * DWSRF is a low interest loan program that may provide grants to water systems when needed for affordability
- * Amount of subsidy based on “loan affordability”
TCR = Target Consumer Water Rate $1\frac{1}{2}\%$ of MHI
- * Funded project must solve the problem with the most cost effective long term solution
- * Funds can be used only for capital costs and cannot be used for O&M
- * 20 to 30% of annual federal contribution can be used for grants. The remainder must be committed to loans.
- * Only Disadvantaged Communities (Publicly Owned & Not for Profit water systems) are eligible for grant funding
- * \$3M grant cap – increased from \$1 million in 2010

Drinking Water State Revolving Fund (DWSRF)

- * 2012 Interest Rate for DWSRF loans is 2.09%
- * Disadvantaged Communities eligible for 0% interest loans
- * Statewide MHI for 2012 is \$58,553
- * Disadvantaged Community: MHI < 80% SMHI
- * Severely Disadvantaged Community: MHI < 60% SMHI
- * Disadvantaged Community can receive up to 80% grant
 - * MHI < \$46,842
 - * TCR is \$58/mo.
- * Severely Disadvantaged Community can receive up to 100% grant
 - * MHI < \$35,132
 - * TCR is \$43/mo.

Drinking Water State Revolving Fund (DWSRF)

Annual MHI	TCR (monthly, water only)
\$24,000	up to \$30
\$30,000	up to \$38
\$36,000	up to \$45
\$48,000	up to \$60
\$55,837	up to \$70
\$60,000	up to \$100
\$72,000	up to \$120

Drinking Water State Revolving Fund (DWSRF)

- * Planning Project
 - * \$500K max / project
 - * Must be completed within 18 months
 - * 5 year loan term
 - * Applicants are given an opportunity to have the planning loan take on the terms of a construction loan if the construction application is submitted within 120 days of the planning project being deemed complete
- * Grants available

Drinking Water State Revolving Fund (DWSRF)

* Construction Project

- * 20 year loan term (*up to 30 years for disadvantaged communities if needed for affordability*)
- * \$20M max / year / project (staging possible)
- * \$30M max / year / entity

\$3M grant cap

(These may be waived at the end of year to meet pace)

- * Eligible Planning, Design, Construction & Application costs are reimbursable

Drinking Water State Revolving Fund (DWSRF)

* Financial Review:

- * Estimated project costs
- * Current water rates
- * Proposed water rates – Prop 218 compliance
- * Current financial status of the PWS
- * Determination of disadvantaged/severely disadvantaged status
- * Eligibility for funding/affordability - Loans and/or grants
- * Fully funded including the ability to operate and maintain adequate financial reserves
- * Required to have Technical, Managerial and Financial Capacity (TMF)
 - * Ownership (*facilities, land, and legal entity status*)
- * Special Conditions

Drinking Water State Revolving Fund (DWSRF)

*** A WORK IN PROGRESS!**

- * Funding Planning Studies (grants now available)
- * Templates for co-funding with P84 and P50
- * 100% grant for severely disadvantaged (Jan. 2012-up to \$3M)
- * Developed guidance for engineering procurement
- * Claims training to assist water systems in receiving more rapid payments
- * Created templates for technical, financial and environmental clearances to expedite reviews
- * Increased 3rd party technical assistance
- * Increased invite cycle to twice a year
- * New legislative authority for revenue bonds to provide State match in future

DWSRF

Pre-Planning and Legal Entity

New funding

- * CDPH has grant funds available under a new local assistance set-aside for a pilot program to assist with the formation of a legal entity with the necessary authority to enable access to the SDWSRF project funding process for these communities.
- * Designed to assist communities that do not have access to safe drinking water, and public water systems (PWS) not eligible for Safe Drinking Water State Revolving Fund (SDWSRF) funding due to the lack of an eligible entity.
- * Application period opened in August 2013 and closed on November 8, 2013.
- * Applications submitted by November 8, 2013 are currently under review. CDPH anticipates posting scores by mid-December.
- * \$250K maximum grant per defined community. (\$1.707 million set aside for this project).

<http://www.cdph.ca.gov/services/funding/Pages/Pre-Planning.aspx>

DWSRF Consolidation Incentive

New funding also

- * To promote consolidation as a cost-effective solution to water systems that don't meet safe drinking water standards, CDPH is providing an incentive to encourage larger systems to consolidate nearby noncompliant systems.
- * By agreeing to consolidate a neighboring noncompliant system, CDPH will re-rank a low-ranked project into a fundable category.
- * Consolidation incentive invitations (Statement of Intent) will go out November 22nd. **Responses due back December 23rd.** You must submit a positive response in order to submit an application.
- * Planning applications due **March 24, 2014** and construction applications due **June 23, 2014.**

<http://www.cdph.ca.gov/services/funding/Pages/ConsolidationIncentive.aspx>

Funding Project Common Delays

- * Not a public water system
- * Not a legal entity or not in good standing with Secretary of State
- * No clear solution to problem
- * No plans and specifications prepared
- * Cannot demonstrate ownership or water rights
- * Prop. 218 hearing process
- * Cannot afford project or solution
- * Decide to challenge Cal Muni MHI by requesting a targeted income survey
- * Legal challenges such as water system involved in litigation or receivership

Proposition 50 Grant Funding

*** Authorized \$485M:** Grants, includes State match for DWSRF [WC 7950 – 79534] Implementation was delayed by bond freeze.

*** Key Sections:**

	Allocated*	Invited	Executed	Balance
Total Chapter 3	45,750,000	66,619,771	9,691,771	-20,869,771
Total Chapter 4a	69,210,000	77,480,193	24,226,250	-8,270,193
Total Chapter 4b	238,815,000	242,915,636	152,240,466	-4,100,636
SRF Match Ch 4	90,000,000	0	0	0

*Note: * Balance is bond cost (3.5%) and Admin (5%)*

Prop 50 Grant Funding

* **Chapter 4a - Infrastructure Improvements Grants :**

- * (1) to small community drinking water systems to upgrade monitoring, treatment, or distribution infrastructure.
- * (2) to finance development and demonstration of new technologies (*no projects; overlap with Chap 6b*)
- * (3) for community water quality monitoring facilities and equipment.
- * (4) for drinking water source protection.
- * (5) for treatment facilities necessary to meet disinfectant by-product safe drinking water standards.
- * (6) SRF Match

Proposition 84

Grant Funding

- * **Initiative Passed in 2006 but progress was stopped due to bond freeze**
- * **\$300M, Four Key Provisions:**
 - * **Public Resources Code Section 75021**
 - * \$10 million to fund emergency and urgent actions to ensure safe drinking water supplies (~\$7M remaining)
 - * **Public Resources Code Section 75022**
 - * \$180 million in 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.

Note: Actual amount available for awards are less due to bond costs (3.5%) and Admin costs (5%).

Prop 84

Grant Funding

- * Public Resources Code Section 75023
 - * \$50 million for the Safe Drinking Water State Revolving Fund – State match
- * Public Resources Code Section 75025
 - * \$60 million for loans and grants for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water.

Note: Actual amount available for awards are less due to bond costs (3.5%) and Admin costs (5%).

Prop. 84 Grant Funding

Emergency Grants:

New funding - Updated in December 2012

Part 1 – Emergency Interim Water Supplies

- * Public Resources Code Section 75021 –\$10M allocated ~ \$3M remaining
 - * \$2 million of the \$10 million was set aside for interim waters supplies.
 - * Need to be on the SRF PPL for a solution to the project.
 - * Part 1 emergency shall not exceed \$50,000.
 - * The maximum eligible amount of funding per project for interim bottled water supplies shall not exceed \$30 per month per service connection.

Prop. 84 Grant Funding

Emergency Grants:

Part 2 – Emergency Grants

- * Public Resources Code Section 75021 –\$10M allocated
~ \$3M remaining
 - * Emergency = sudden unanticipated event such as earthquake, fire, landslide, well collapse; no water!
 - * Unique in that we can fund alternative water supply
 - * Cap at \$250K per project
 - * For very small projects, \$10K or less, we can authorize by oral agreement

Prop. 84 Grant Funding

- * **Small Water Community Drinking Water System**
 - * **with Chemical Contaminants or Microbial contamination with standing boil water order (SW)**
- * Public Resources Code Section 75022 - **\$180M allocated**. Over committed by an estimated \$39M based upon 2010 construction cost estimates
 - * Up to \$500K for Planning/Feasibility studies
 - * Limit of \$5M grant per project/\$15M for Regional projects
 - * 126 projects as a result of 3 rounds of applications; 36 construction and 90 feasibility
 - * 67 executed funding agreements (plus 9 others authorized or issued) for \$32M
 - * Provides 100% grants including funds to private water systems
 - * 77 projects in Kern, Tulare, Fresno, Madera and Kings Co.
 - * Set aside \$2M for SBX2 1 Study of Nitrates.

Prop 84

Grant Funding

- * **Projects to Prevent or Reduce Contamination of Groundwater:**
 - * Public Resources Code Section 75025 - \$60M appropriated
 - * for immediate projects (*Plans, specs and CEQA completed*) needed to protect public health by preventing or reducing the contamination of groundwater that serves as a major source of drinking water for a community. (SBX2 1; WC Section 83002)
 - * Requires CDPH to work with DTSC and adopt regulations to seek cost recovery from responsible parties.
 - * Projects selected in 2nd round to receive remaining \$14.5M. Funds.
 - * Over committed, one project will only receive partial funding.

2011-12 Funding Accomplishments

* **Funding Program Statistical Summary:**

- * Executed \$289,952,681 in funding for 72 projects
 - * \$9,268,551 for 32 planning projects
 - * \$280,269,984 for 35 construction projects
- * Provided \$33,075,552 to 55 small water system projects including schools
 - * *SRF Small Water < 10,000 Population*
 - * *Prop 50 & 84 Small Water < 1,000 service connections or < 3,300 Population)*
 - * Provided \$241,500,391 to disadvantaged communities
 - * Provided \$414,146 in funding for 5 emergency projects
- * PWS completed 40 funded construction projects