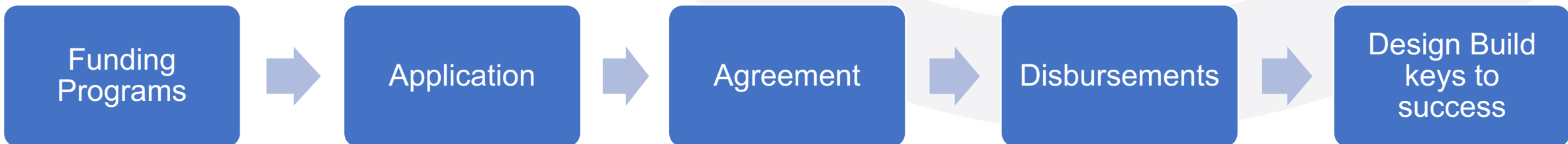


# Division of Financial Assistance Design Build Applying For Funding



June 2022



# Types of Funding

- Clean Water State Revolving Fund (CWSRF) / Drinking Water State Revolving Fund (DWSRF)
  - Loan/ Principal Forgiveness
  - Federal Requirements (AIS/ BABA, DBE, Davis Bacon, CEQA+)
- Water Recycling Funding Program (WRFP)
  - State Loan/ State Grant
  - Limitations from water code language and guidelines
  - CEQA only
  - No Federal Requirements



# Budget Act of 2021

## Water Board Allocation (State Funding)

Allocation (Millions)	Project Type
\$650	Wastewater projects (CWSRF Application) <i>*priority to septic-to-sewer conversions</i>
\$650	Drinking water projects (DWSRF Application) <i>*priority to disadvantaged communities (DACs)</i>
\$100	Per-and polyfluoroalkyl substances (PFAS) support for water systems
<b>\$350</b>	<b>Groundwater cleanup and water recycling projects</b>
\$20	Mexico border rivers



# Bipartisan Infrastructure Law (BIL) – CA SRF Estimate FY 22-26 (Millions)

	DWSRF	CWSRF	Totals
Base Program (Subject to Future Appropriation)	\$ 301,819,000	\$ 402,753,000	\$ 704,572,000
Any Project (Appropriated)	\$ 977,333,000	\$ 783,882,000	\$ 1,761,215,000
Emerging Contaminants (Appropriated)	\$ 333,245,000	\$ 66,867,000	\$ 400,112,000
Lead Service Line Replacement (Appropriated)	\$ 1,250,535,000	0	\$ 1,250,535,000
<b>Totals</b>	<b>\$ 2,862,932,000</b>	<b>\$ 1,253,502,000</b>	<b>\$ 4,116,434,000</b>



# Eligible Applicants

Depending on the type of project, eligible applicants include:

- Public agencies
  - Design Build (DB) Projects
- 501(c)(3) Non-profit organizations
- Federally recognized tribes or State tribes on the Native American Commission consult list



# Eligible Projects - CWSRF

- Publicly-owned treatment works
  - **DB projects**
- Nonpoint source projects
- National estuary program projects
- Decentralized wastewater treatment systems
- Storm water projects
- Water conservation
- Watershed projects
- Energy conservation
- Water reuse projects
  - **DB Projects**
- Security measures at publicly-owned treatment works
- Technical assistance



# Eligible Projects - DWSRF

Six categories of project types

- Treatment
  - **DB Projects**
- Transmission and Distribution
  - **DB Projects**
- Source
- Storage
- Consolidation
- Creation of New Systems





# Eligible Projects - WRFPP

- Planning of Recycled Water Treatment Facilities
- Storage Facilities
- Pumping Facilities
- Recycled Water Distribution Systems
- Indirect Potable Reuse
  - **DB Project**
- Direct Potable Reuse



# Application Package

1. General Application
2. Environmental – Adopted by the applicant and submitted to clearing house, Water Boards will be a lead agency for federal consultation.
3. Technical Package – Water Rights, Project Report, Permitting, Urban Water Management Plan approved by DWR
4. Financial Package – Tax Questionnaire, 3 years financials and 2 years projections, 1.2 debt coverage



## Design Build keys to applying

1. Submit a General Application through the FFAST portal to be assigned a Project Manager and Project Number as soon as possible.
2. Have a kickoff meeting and make sure that the Project Manager is aware that the project is a Design Build.
3. Submit a complete application by Dec 31 in order to receive the maximum points.
4. Since this is a Design Build, instead of submitting plans and spec the applicant needs to submit the Request for Proposal (RFP) to receive the maximum points for readiness.
5. Projects will be scored (three categories Primary (4-9 points, Secondary (0-3 points, Readiness 0 - 4 points) and the fundable list will be available in the Draft Intended Use Plan (IUP). Estimated post date of the draft IUP April/May of that funding year and adopted in June by the Board. In 2022 the draft will be available July 20.



# Timeline delays for Design Build applications

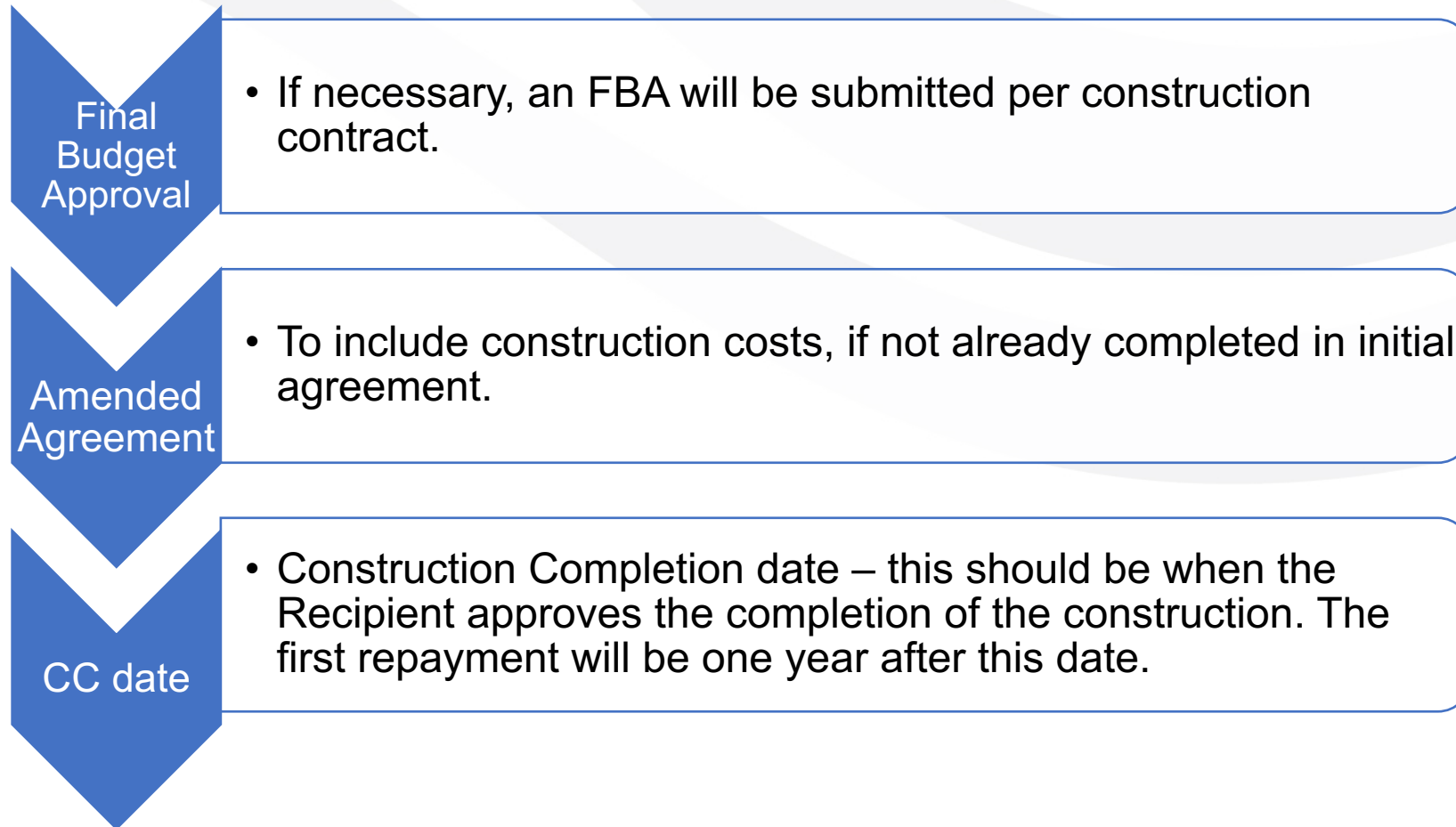
1. Complete application was submitted prior to December 31 and has a signed RFP for maximum points.
2. Breaking ground or construction without an environmental review could risk the funding.
  - Environmental review will not begin until the project is on the fundable list usually 6 months after the application deadline.
  - Depending on the time of the environmental review (typically 3-9 months) could cause delays for the applicants design build team.
3. Water Rights – If the applicant is purchasing secondary wastewater, the seller of that water will need to verify water rights has been approved.
4. Legal issues – any litigation could delay the agreement until it has been resolved.



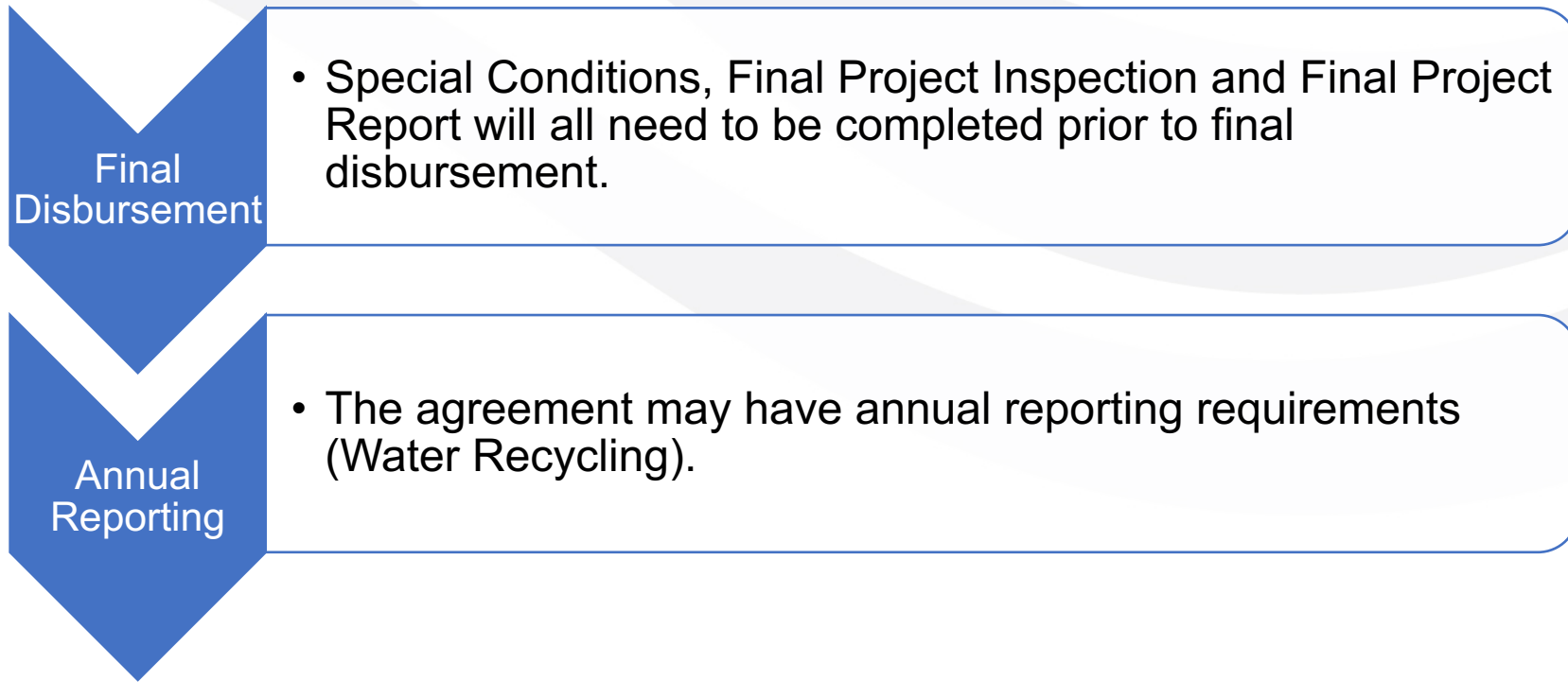
# Agreement Process



# Agreement Process



# Agreement Process



# Disbursement Process

1. Disbursements take an average of 90 days from the time DFA has adequate documentation for request.
  - Goes through DFA, Accounting, State Controllers Office.
2. Agency may need interim financing during the project for cash flow purposes.
3. If funding is in combination with WIFIA and other federal money, the agency is at risk for the 80% federal funding cap. DFA will need to know during application if this could be an issue to add language in the agreement.
4. Design Builds have had issues where the total project costs continually changes throughout the project. This has caused issues with our records and the way DFA does reimbursements.





# Design Build keys to success

- Need to come in early for funding to discuss your project.
- Projects can have a combination of DB and DBB in an agreement. ( Facility- DB, Conveyance and Injection/recharge DBB)
- Private Operation may limit DFAs ability for funding of your project.
- Any construction or breaking of ground prior to the environmental clearance places financing in jeopardy.
- Any construction prior to funding is at the risk of the applicant.
- Water Rights, CEQA+, and coordination with the Regional Boards have all shown delays in project schedule.
- Any change in scope jeopardizes funding after an agreement.



# Program Contacts

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