

Section 6: Finance Plan

6.1 Potential Funding Options

Initial funding for IRWMP preparation was provided by the RWMG through an MOU; IRWMP implementation will require additional funding. There are opportunities for grant funding that are available to the Stakeholders in the Region and that are well suited to many Candidate Projects. Many of these grant opportunities require that the Local Project Sponsor provide matching funds (“local match”) and funds for operations and maintenance once a project or program is constructed. The source of local match and funds for operations and maintenance may include: water and wastewater general funds; capital improvement funds; and general funds from local Cities, County departments, private organizations, member dues, etc. Local taxpayers may also fund these projects through rate increases, bond measures, and tax increases.

This section identifies various funding sources and their associated requirements and guidelines, to assist with implementation of Plan Projects. Sections 6.2 through 6.4 present information on local, State, and Federal funding sources, while Section 6.5 focuses on direct funding options for Plan Projects. Table 6.1-1 provides a summary of funding opportunities broken into local, state, and federal funding sources and provides contact information for each funding program. Due to the length of Table 6.1-1 it is provided at the end of this section.

6.2 Local

In the past, local entities have planned, implemented, and funded construction and operation of water-related projects. These funds may be available to fund Plan Projects or to provide the local match.

6.2.1 Capital Improvements Program Funding (Revenue Bonds, Certificates of Participation)

Water districts, as well as other government entities (e.g., counties and cities) can raise funds by issuing municipal bonds or certificates of participation. Bonds and certificates of participation are governed by an extensive system of laws and regulations. Under these systems, investors provide immediate funding for the promise of later repayment. Generally, bonds and certificates of participation are used for capital improvement projects. In the case of a water district, bonds and certificates are secured by revenues from the water system and by property taxes received by the agency.

6.2.2 Property Tax Assessment (Assessed Valuation)

Property taxes are a large source of revenue for water-related projects and agencies in the Region. The Los Angeles County Tax Assessor collects the charges on behalf of various districts. This funding is used for general expenditures, capital improvements, and to service bond and certificate debt. While this is a large and important source of funding for local agencies, in some cases, the State of California can divert these funds.

During FY 2005/06 and FY 2006/07, the State diverted over 65 percent of CLWA's property tax revenues. Future losses of property taxes may hinder the ability to fund water-related projects.

6.2.3 User Fees

Funding for operation and maintenance of water-related projects often comes from user fees, which are charges for water delivered to a home or charges for wholesale water supplies. In addition to these fees, many agencies also charge "hook-up" or "connection" fees – charges for providing facilities to provide water or wastewater services to a new development. These fees are also known as "facility capacity fees." Facility capacity fee revenue is difficult to forecast due to the unpredictable timing of development activity. Development activity depends on real estate demands, the regional economy, and land use planning activity.

6.3 State

Potential funding for IRWMP implementation may be available through various State programs, including Propositions 84, 1E, and 50. The discussion below and Table 6.1-1 provide information on State funding opportunities.

POTENTIAL STATE FUNDING SOURCES FOR IRWMP IMPLEMENTATION:

- Proposition 84
- Proposition 1E
- Proposition 50
- Other (Pending Legislation, State Revolving Fund)

6.3.1 Proposition 84

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 (Public Resources Code § 75001, et seq.), was passed by California voters in the November 2006 general election. Proposition 84 will be implemented by DPH, DWR, and the SWRCB. Specific grant funding programs available under Proposition 84 are highlighted below:

6.3.1.1 Integrated Regional Water Management Planning

DWR will offer grants for projects that assist local public agencies to meet the long-term water needs of the State including the delivery of safe drinking water and the protection of water quality and the environment. Proposition 84 allocated \$1 billion to integrated regional water management planning grants; of this amount, \$215 million is earmarked for the Los Angeles-Ventura area. Eligible projects must be part of integrated regional water management plans. Under current Guidelines, projects eligible for integrated regional water management plan funding include:

- Development of integrated regional water management plans or components thereof
- Completion or modification of integrated regional water management plans
- Programs for water supply reliability, water conservation, and water use efficiency
- Storm water capture, storage, treatment, and management
- Removal of invasive non-native plants, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands

- Non-point source pollution reduction, management, and monitoring
- Groundwater recharge and management projects
- Contaminant and salt removal through reclamation, desalting, and other treatment technologies
- Water banking, water exchange, water reclamation, and improvement of water quality
- Planning and implementation of multipurpose flood control programs that: protect property; improve water quality, storm water capture and percolation; and protect or improve wildlife habitat
- Watershed management planning and implementation
- Demonstration projects to develop new drinking water treatment and distribution methods

Pending legislation may alter the types of projects eligible for funding as part of an integrated regional water management plan.

6.3.1.2 Department of Public Health - Emergency and Urgent Water Protection

DPH offers grants for projects that address emergency and urgent situations related to drinking water supplies. Eligible projects include, but are not limited to, provision of alternate water supplies, improvements to existing water systems to avoid contamination, establishment of new connections, and purchase and installation of water treatment equipment. The program is open to local water suppliers.

6.3.1.3 Department of Public Health - Small Community Drinking Water Infrastructure

DPH offers grants for small community drinking water system infrastructure improvements and related actions to meet safe drinking water standards. Priority for these grants is given to projects that address chemical and nitrate contaminants and other health hazards. Priority is also given for projects that benefit Disadvantaged Communities. Eligible recipients include public agencies and incorporated mutual water companies that serve Disadvantaged Communities.

6.3.1.4 Department of Public Health – Prevention of Groundwater Contamination

Loans and grants are available from DPH for projects that prevent or reduce contamination of groundwater that serves as a source of drinking water. Community water systems are eligible for these grants and loans and preference is given to projects that serve Disadvantaged Communities.

6.3.1.5 State Water Resources Control Board – Storm Water Grant Program

The SWRCB provides grant funds for projects designed to reduce and prevent storm water contamination of rivers, lakes, and streams. Eighty two million dollars in funding, up to \$5 million per project, is available. These grants are available to local public agencies. Preference

is given to projects consistent with an integrated regional water management plan and projects that promote long-term water quality.

6.3.2 Proposition 1E

Proposition 1E, the Disaster Preparedness and Flood Protection Bond Act, encourages new investments for flood protection and storm water management programs. Within Proposition 1E, \$3 million in grants are available from DWR to local entities for storm water runoff projects. These projects must be outside of the State Plan of Flood Control and be consistent with an integrated regional water management plan. In addition, local match must be at least 50 percent of project costs. Preference is given to projects that use storm water management to improve groundwater supplies, improve water quality, and to restore ecosystems.

6.3.3 Proposition 50

The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, Water Code §79500, et seq., was passed by California voters in the November 2002 general election. Proposition 50 authorized \$3,440,000,000 in general obligation bonds, to be repaid from the State's General Fund, to fund a variety of water projects including: specified CALFED Bay-Delta Program projects including urban and agricultural water use efficiency projects; grants and loans to reduce Colorado River water use; purchasing, protecting and restoring coastal wetlands near urban areas; competitive grants for water management and water quality improvement projects; development of river parkways; improved security for state, local and regional water systems; and grants for desalination and drinking water disinfecting projects. Many grant programs funded by Proposition 50 have concluded, but those funding programs still accepting applications are summarized below.

6.3.3.1 Department of Water Resources – Water Use Efficiency Grants

This grant program is intended to fund agricultural and urban water use efficiency projects. The program focuses on funding projects that are not locally cost effective, and that provide water savings or in-stream flows that are beneficial to the Bay-Delta or the rest of the State. Consideration is also given to projects that address water quality and energy efficiency. Specific types of projects that can be funded include: water use efficiency implementation projects providing benefits to the State; research and development projects; feasibility studies, pilot or demonstration projects; training, education or public outreach programs; and technical assistance programs related to water use efficiency. Cities, counties, joint power authorities, public water districts, tribes, non-profit organizations (including watershed management groups), other political subdivisions of the State, regulated investor-owned utilities, incorporated mutual water companies, universities and colleges, and State and Federal agencies are eligible applicants. Grants to urban water suppliers are conditioned on implementation of the Demand Management Measures described in CWC §10631. In years 2006 to 2007 \$35.3 million was allocated to fund water use efficiency grants.

6.3.3.2 Department of Public Health – Water Security

These funds may be used for projects designed to: prevent damage to water treatment, distribution, and supply facilities; to prevent disruption of drinking water deliveries; and to protect drinking water supplies from intentional contamination. Eligible projects include: monitoring and

early warning systems; fencing; protective structures; contamination treatment facilities; emergency interties; and communications systems. Grants cannot be used to supplant funding for routine responsibilities or for projects previously required by a DPH compliance order, permit condition or regulation. Grants are a minimum of \$50,000, up to a maximum of \$10,000,000. A 50 percent match is required, but this requirement is waived in part or in full for Disadvantaged Communities and small water systems. Public water systems are eligible to receive these funds.

6.3.3.3 Department of Public Health - Small Community Water System Facilities

This grant program provides money to small community water systems that are in non-compliance with a safe drinking water standard. Community water systems with fewer than 1,000 connections or with a population of less than 3,000 persons are eligible to receive these funds. Monies are to be used to upgrade monitoring, treatment, or distribution infrastructure. Grants are a minimum of \$5,000, up to a maximum of \$2,000,000. No local match is required and up to 25 percent of program funding is set aside to support projects benefiting Disadvantaged Communities.

6.3.3.4 Department of Public Health - Water System Monitoring Facilities

Like the Small Community Water System Facilities grant program, this program provides money to community water systems that are in non-compliance with a safe drinking water standard. However, this program is not limited to “small” community water systems as defined above. Monies are to be used to upgrade monitoring, treatment, or distribution infrastructure. Grants are a minimum of \$5,000, up to a maximum of \$2,000,000. A 50 percent match is required, but this requirement is waived in part or in full for Disadvantaged Communities and small water systems. Community water systems are eligible to receive these funds.

6.3.3.5 Department of Public Health - Contaminant Treatment and Removal

DPH offers grants to finance development and demonstration of new treatment and related facilities for water contaminant removal and treatment. Grants are a minimum of \$50,000, up to a maximum of \$2,000,000. A 50 percent match is required, but this requirement is waived in part or in full for Disadvantaged Communities and small water systems. Public water systems are eligible to receive these funds.

6.3.3.6 Department of Public Health - Drinking Water Source Protection

Grants are provided for source water protection projects to prevent contamination of the water supply. Projects should prevent a possible contaminating activity from releasing contaminants, or to prevent contaminants that have been released from reaching the water supply. Funds may be used for planning, preliminary engineering, detailed design, construction, education, land acquisition, conservation easements, equipment purchase, and implementing the elements of a surface water protection program. Funds may not be used to clean up contamination or install treatment on existing water sources. Grants are a minimum of \$50,000, up to a maximum of \$2,000,000. A 50 percent match is required, but this requirement is waived in part or in full for Disadvantaged Communities and small water systems. Public water systems are eligible for these funds.

6.3.3.7 Department of Public Health – Byproduct Treatment Facilities

Grants are offered by DPH for public water systems in noncompliance with the US EPA Stage 1 Disinfection Byproducts rule. Grants are intended to fund construction of treatment facilities necessary to meet disinfection byproduct safe drinking water standards. Applicants with the greatest health risk from disinfection byproducts will be given priority for funding. Grants are a minimum of \$50,000 up to a maximum of \$2,000,000. A 50 percent match is required, but this requirement is waived in part or in full for Disadvantaged Communities and small water systems.

6.3.3.8 Department of Public Health – Contaminant Removal

DPH provides funds for contaminant treatment or removal technology pilot and demonstration studies for specific categories of contaminants including petroleum, perchlorate, heavy metals, pesticides, and herbicides. Grants are a minimum of \$50,000, up to a maximum of \$5,000,000. A 50 percent match is required, but this requirement is waived in part or in full for Disadvantaged Communities and small water systems. Public water systems and public entities are eligible for this funding program.

6.3.3.9 Department of Public Health – UV and Ozone Disinfection

Grants to support projects using ultraviolet or ozone for disinfection of drinking water are also offered by DPH. A funded project must address a drinking water compliance violation, surface water treatment requirements, or other mandatory disinfection requirement. Public water systems are eligible for this funding program.

6.3.4 Other State Funding

6.3.4.1 State Revolving Fund

The Federal Safe Drinking Water Act Amendments of 1996 authorized the creation of a revolving fund program for public water system infrastructure needs specific to drinking water. There is similar State legislation and the Safe Drinking Water State Revolving Fund reflects the intent of Federal and State laws to provide grant funding or low-interest loans to correct deficiencies in public water systems based on a prioritized system. Highest priority is given to projects that address public health risk, projects that will assist a public water system with compliance with the Safe Drinking Water Act, and projects that assist those public water systems most in need. Funding is available for construction/enhancement of public water systems, construction of local sewers and sewer interceptors, water reclamation facilities, and related projects such as implementation of nonpoint source pollution prevention projects and water reclamation. The program is funded by Federal grants, State funds (including Proposition 50 and Proposition 84), and revenue bonds. The program is administered by DPH and the SWRCB. Publicly owned treatment works, local public agencies, non-profit organizations, and private parties are eligible for funding.

6.3.4.2 State Water Resources Control Board – Federal 319 Program

This program, administered by the SWRCB, is a nonpoint source pollution control program that is focused on controlling activities that impair beneficial uses and on limiting pollutant effects caused by those activities. The program is federally funded on an annual basis. Project

proposals that address TMDL implementation and those that address problems in impaired waters are favored in the selection process. There is also a focus on implementing management activities that reduce and/or prevent release of pollutants that impair surface and ground waters. Nonprofit organizations, local government agencies including special districts, tribes, and educational institutions qualify. State or federal agencies may qualify if they are collaborating with local entities and are involved in watershed management or proposing a statewide project.

6.3.4.3 State Water Resources Control Board – Water Recycling Funding Program

This is a long-term program operated by the SWRCB that offers grants and low-interest loans for the planning, design and construction of water recycling facilities. Grants are provided for facilities planning studies to determine the feasibility of using recycled water to offset the use of fresh/potable water from state and/or local supplies. Pollution control studies, in which water recycling is an alternative, are not eligible. Planning grants are limited to 50 percent of eligible costs, up to \$75,000. Construction grants are limited to 25 percent of project costs or \$5,000,000, whichever is less. Only public agencies are eligible. The Water Recycling Funding Program receives funding from various sources, including Proposition 50 and the State Revolving Fund. Due to the varying funding sources, preferences for funding can vary. For example, funding from Proposition 50 gives preference to those recycling projects that result in benefits to the Delta.

6.3.4.4 Department of Water Resources – Local Groundwater Assistance Program

The Local Groundwater Management Assistance Act of 2000 (CWC § 10795 et seq., Assembly Bill 303) was enacted to provide grants to local public agencies to conduct groundwater studies or to carry out groundwater monitoring and management activities. Priority for grant funding is given to local public agencies that have adopted a groundwater management plan and demonstrate collaboration with other agencies in the management of the affected groundwater basin. Eligible applicants are public agencies with groundwater management authority. Grants up to \$250,000 are available. This program is funded through various sources; currently, funding is available through Proposition 50.

6.3.4.5 Pending Legislation

In March 2008, State Senator Machado introduced SBX2 6, the Safe Drinking Water Act of 2008. SBX2 6 proposes a \$6.8 billion bond to fund water supply reliability, Delta sustainability, clean drinking water, pollution prevention, clean beaches, groundwater quality, water recycling, and water conservation. Both direct funding and grants are proposed, with grants focused on water supply reliability projects such as agricultural and urban water use efficiency, conjunctive use, recycling/desalination, and groundwater pollution prevention and clean-up. Grants would be competitive and only projects consistent with integrated regional water management plan standards would be eligible. The proposal is undergoing review and negotiation by the State Senate.

6.4 Federal

This section includes a discussion of funds available through various federal programs and specifies eligibility requirements. A summary of potential federal funding sources is provided in Table 6.1-1.

6.4.1 Environmental Protection Agency, Source Reduction Assistance

The purpose of this program is to prevent the generation of pollutants at the source and ultimately provide an overall benefit to the environment. This program seeks projects that support source reduction, pollution prevention, and/or source conservation practices. Source reduction activities include: modifying equipment or technology; modifying processes or procedures; reformulating or redesigning products; substituting raw materials; and generating improvements in housekeeping, maintenance, training, or inventory control. Pollution prevention activities reduce or eliminate the creation of pollutants via such procedures as: using raw materials, energy, water or other resources more efficiently; protecting natural resources through conservation; preventing pollution; and promoting the re-use of materials and/or conservation of energy and materials. Eligible organizations include units of State, local, and tribal government; independent school district governments; private or public colleges and universities; nonprofit organizations; and community-based grassroots organizations.

6.4.2 Environmental Protection Agency, Wetlands Program Development Grants

This program seeks projects that promote the coordination and acceleration of research, investigations, experiments, training, demonstrations, surveys, and studies relating to the causes, effects, extent, prevention, reduction, and elimination of water pollution. The US EPA has identified three priority areas: (1) the development of a comprehensive monitoring and assessment program; (2) the improvement of the effectiveness of compensatory mitigation; and (3) the refinement of the protection of vulnerable wetlands and aquatic resources. Typically, grant amounts range from \$25,000 to \$250,000, but there is no set amount. A 25 percent match is required. Eligible entities include States, tribes, local governments, interstate associations, intertribal consortia, and national non-profit, non-governmental organizations.

6.4.3 National Park Service, Rivers, Trails, and Conservation Assistance (RTCA) Program

The purpose of this program is to conserve rivers, preserve open space, and develop trails and greenways. The program provides staff assistance, but not funding, to meet this intent. Projects will be evaluated on how successfully they meet the following criteria: (1) a clear anticipated outcome leading to on-the-ground success; (2) commitment, cooperation, and cost-sharing by interested public agencies and non-profit organizations; (3) opportunity for significant public involvement; (4) protection of significant natural and/or cultural resources and enhancement of outdoor recreational opportunities; and (5) consistency with the National Park Service mission. Eligible organizations include non-profits, community groups, tribes or tribal governments, and state or local government agencies.

6.4.4 Natural Resources Conservation Service, Watershed Protection and Flood Prevention Grant

The purpose of the program is to support activities that promote soil conservation and that promote the preservation of the watersheds of rivers and streams throughout the US. This program seeks to preserve and improve land and water resources via the prevention of erosion, floodwater, and sediment damages. The program supports improvement of: (1) flood prevention including structural and land treatment measures; (2) conservation, development, utilization, and disposal of water; or (3) conservation and proper utilization of land. Successful applicants under this program receive support for watershed surveys and planning, as well as watershed protection and flood prevention operations. Funding for watershed surveys and planning is intended to assist in the development of watershed plans to identify solutions that use conservation practices, including nonstructural measures, to ultimately solve problems.

Matching funds are not required; however, applicants must generally provide matches ranging from 0 percent to 50 percent in cash or in-kind resources depending on such factors as project type and the kinds of structural measures which a project proposes.

Eligible entities include: states, local governments, and other political subdivisions; soil or water conservation districts; flood prevention or control districts; and tribes. Potential applicants must be able to obtain all appropriate land and water rights and permits to successfully implement proposed projects.

6.4.5 US Department of Agriculture, Water and Waste Disposal Program

The Water and Waste Disposal Program provides financial assistance in the form of grants and loans for the development and rehabilitation of water, wastewater, and storm drain systems within rural communities. Funds may be used for costs associated with planning, design, and construction of new or existing water, wastewater, and storm drain systems. Eligible projects include storage, distribution systems, and water source development. There are no funding limits, but the average project is granted \$1,800,000. Projects must benefit cities, towns, public bodies, and census-designated places with a population less than 10,000 persons. The intent of the program is to improve rural economic development and improve public health and safety.

6.4.6 US Bureau of Reclamation, Challenge Grant Program

This grant program is intended to fund collaborative local projects that improve water conservation and management through advanced technology and conservation markets. Through this program, federal funding is provided to irrigation and water districts for up to 50 percent of the cost of projects involving conservation, efficiency and water marketing. Eligible applicants include irrigation and water districts and state governmental entities with water management authority. Applicants must be located in the western US (California is an eligible area). Applicants do not have to be part of a Reclamation project but proposals with a connection to Reclamation will receive more weight in the evaluation process.

6.4.7 US Fish and Wildlife Service, North American Wetlands Conservation Act Grant

This grant provides funds for projects that provide long-term protection of wetlands, and the fish and wildlife that depend upon wetlands. Applicants must provide local match equal to that requested. Entities that are eligible include organizations and individuals who have developed partnerships to carry out wetlands conservation projects in the US, Canada, and Mexico. Applications are continuously accepted by the US FWS for this grant.

6.4.8 Federal Legislation

Specific congressional authorizations and funding may be obtained to study, build, and construct specific projects in the Region. Potential sources include legislation and funding associated with renewal of the CWA, SWDA, and appropriations for specific agencies, such as the US ACE and the US EPA.

The Water Resources Development Act (WRDA) authorizes projects and policies of the Civil Works program of the US ACE. The US ACE is a federal agency in the Department of Defense with military and civilian responsibilities. At the direction of Congress, US ACE plans, builds, operates, and maintains a wide range of water resources facilities in US states and territories. The agency's traditional civil responsibilities have been creating and maintaining navigable channels and controlling floods. However, in the last two decades, Congress has increased US ACE's responsibilities in ecosystem restoration, municipal water and wastewater infrastructure, disaster relief, and other activities. WRDA often includes specific authorizations for federal, regional, and local projects. Inclusion in WRDA authorizes a given project but does not guarantee funding for a specific project.

Local projects can also receive authorization and federal funding as part of appropriations for the US EPA. The US EPA will enter into assistance agreements with local agencies to fund studies and projects associated with: (1) various environmental requirements (e.g., wastewater treatment); (2) identifying, developing, and/or demonstrating necessary pollution control techniques to prevent, reduce, and eliminate pollution; and/or (3) evaluating the economic and social consequences of alternative strategies and mechanisms for use by those in economic, social, governmental, and environmental management positions.

6.5 Selected Plan Project Cost Estimates

Estimated costs, matching funds, and potential funding sources for Plan Projects will be identified after project selection has taken place.

6.6 Grant Funding Package

Securing funding for the selected Plan Projects is a significant issue for IRWMP implementation. For each funding source identified, suitable projects on the Plan Projects list will be put forward in an application. A summary of funding needs and the funding status for each Plan Project will be prepared after project selection has taken place. This summary will include estimates of outside funding assistance, amount of matching funds, type of matching funds, and whether the matching funds have been secured.

**TABLE 6.1-1
POSSIBLE FUNDING OPPORTUNITIES**

LOCAL						
Local funding opportunities include revenue bonds, certificates of participation, property taxes, existing capital improvement budgets, and user fees.						
STATE						
Funding Objective	Program	Brief Description	Key Points	Eligibility	Submit Grant Application	Contact
Proposition 84 (by chapter)						
Water Quality, Water Supply, Resource Stewardship	DWR	Funding for IRWMP planning and implementation	\$100M budget, \$215M allocated to the Ventura-Los Angeles Funding Area	Public agencies and non-profit organizations (other groups may also receive funding if teamed with public agency or non-profit organization)	Funding anticipated in FY 2008.	Joe Yun jyun@water.ca.gov
Water Quality	DPH	Emergency/urgent water supply protection	\$10M budget; max grant \$250,000	Local water suppliers	Funding anticipated in FY 2008.	DPH (916) 449-5600
Water Quality	DPH	Small Community Drinking Water Infrastructure Program	\$180M budget, max grant \$5 million	Local water suppliers	Funding anticipated in FY 2008.	DPH (916) 449-5601
Water Quality	DPH	Prevention of Groundwater Contamination	\$50M budget	Community water systems, preference for systems serving Disadvantaged Communities	Funding anticipated in FY 2008.	DPH (916) 449-5602
Water Quality	SWRCB	Storm Water Grant Program	\$90M budget	Local public agencies	Final Guidelines November 2007; TBD	Erin Ragazzi (916) 341-5733
Proposition 1E						
Resource Stewardship	DWR	FloodSAFE California. Grants for stormwater flood management projects with non-state cost share of not less than 50%; projects must not be part of State Plan for Flood control, must have multiple benefits, comply with Basin Plans, and be consistent with an IRWMP	\$300M	DWR has not yet provided information on eligible applicants	DWR has not yet provided information on funding or applications for this program	floodSAFE@water.ca.gov
Proposition 50						
Water Supply	DWR	Water Use Efficiency Grants. Program primarily funds projects not locally cost effective, and that provide water savings, or in-stream flows that are beneficial to the Bay-Delta or the rest of the state. Consideration also for water quality and energy efficiency	Two step on-line process application process: first step is concept proposal and second step is detailed on-line submittal.	Cities, counties, districts, tribes, non-profits; utilities and mutual water companies, universities, colleges, state and federal agencies	Applications accepted in periodic application cycles	Baryohay Davidoff, DWR (916) 651-9666
Water Supply	DPH	Water Security. Grants for protection of state, local, and regional drinking water systems	Grants cannot be used for the routine responsibilities or projects previously required by a DPH compliance order, permit or regulation. \$10 million maximum grant per project; \$50,000 minimum; 1 to 1 local resource match to grant award required except for small community systems and Disadvantaged Communities.	State, local, and regional drinking water systems under DPH regulation	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2734

**TABLE 6.1-1
POSSIBLE FUNDING OPPORTUNITIES**

Funding Objective	Program	Brief Description	Key Points	Eligibility	Submit Grant Application	Contact
Water Quality	DPH	Small Community Water System Facilities: Upgrade monitoring, treatment, or distribution infrastructure of small community water systems; must be in noncompliance with a safe drinking water standard	Project Funding: \$5,000-\$2 million. No required local match.	Small Community Water Systems: < 1,000 connections or 3,300 people	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2735
Water Quality	DPH	Community Water System Monitoring Facilities: Water quality monitoring facilities and equipment; must be in noncompliance with a safe drinking water standard	Project Funding: \$5,000-\$2 million. 50% local match required, but waived for Disadvantaged Communities and small water systems.	Public water systems under DPH regulation	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2736
Water Quality	DPH	Demonstration Projects & Studies for Contaminant Treatment: Development and demonstration of new treatment and related facilities for water contaminant removal and treatment	Project Funding: \$50,000-\$2 million. 50% local match required, but waived for Disadvantaged Communities and small water systems.	Public water systems under DPH regulation	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2737
Water Quality	DPH	Drinking Water Source Protection: For planning, preliminary engineering, detailed design, construction, education, land acquisition, conservation easements, equipment purchase, and implementing the elements of a Source Water Protection program	Project Funding: \$50,000-\$2 million. 50% local match required, but waived for Disadvantaged Communities and small water systems.	Public water systems under DPH regulation	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2738
Water Quality	DPH	Disinfection By-Product Treatment Facilities: To meet DBP safe drinking water standards, must be in non-compliance with the EPA Stage 1 DBP Rule MCLs or treatment technique	Project Funding: \$50,000-\$2 million. 50% local match required, but waived for Disadvantaged Communities and small water systems.	Public water systems under DPH regulation	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2739
Water Quality	DPH	Demonstration Projects and Studies for Contaminant Removal: Treatment or removal technology for the following contaminants: Petroleum products, such as MTBE and BTEX, N-Nitrosodimethylamine (NDMA), Perchlorate, Radionuclides, such as radon, uranium, and radium, Pesticides and herbicides, Heavy metals, such as arsenic, mercury, and chromium, Pharmaceuticals and endocrine disrupters	Project Funding: \$50,000-\$5 million. No more than 30% of the funds can address a single contaminant. 50% match that can be waived for Disadvantaged Communities or small water systems.	Public water systems under DPH regulation	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2740
Water Quality	DPH	Ultraviolet (UV) and Ozone Disinfection. Must address an Maximum Contaminant Level (MCL) compliance violation, surface water treatment microbial requirements, or other mandatory disinfection that can only be met by UV/ or ozone; the water system must demonstrate that it can operate and maintain the treatment facilities; ozone treatment projects shall be designed and operated to minimize residual disinfection byproduct formation from the ozone treatment	Project Funding: \$50,000-\$5 million;	Public water systems under DPH regulation	DPH provides a universal application for most of its grant programs. http://www.dhs.ca.gov/ps/ddwem/funding/default.htm	Mark Bartson (707) 576-2741

**TABLE 6.1-1
POSSIBLE FUNDING OPPORTUNITIES**

Funding Objective	Program	Brief Description	Key Points	Eligibility	Submit Grant Application	Contact
Other						
Water Quality	DPH, SWRCB	State Revolving Fund: Provides low-interest loans and/or grants to assist public agencies in correcting deficiencies in water infrastructure	Grants and loans can be combined with other funding sources.	Publicly owned treatment works, local public agencies, non-profit organizations, and private parties	Applications vary depending on type of project and agency from which funds requested. Applications are accepted on a continuing basis.	Steve Woods (DPH) (916) 449-5624 Dave Kirn (SWRCB) dkirn@waterboards.ca.gov
Water Quality	SWRCB	Federal 319 Program. Funding to support projects throughout the State to restore impaired surface waters through the control of nonpoint source pollution	Project Funding: \$250,000-\$1 million. 25% local match required, but waived for Disadvantaged Communities and small water systems.	Public agencies, public colleges, 501(c)(3) non-profit organizations, tribes, state and federal entities	Applications accepted in periodic application cycles.	Julé Rizzardo (916) 341-5822
Water Supply	SWRCB	Water Recycling Funding Program	Grants up to \$75,000 for planning studies; local match is 25% for planning studies. Grants up to 25% of costs or \$5M (whichever is less) for construction.	Public agencies	Applications accepted on continuous basis.	Claudia Villacorta (916) 341-5735
Water Quality	DWR	Local Groundwater Assistance	Up to \$250,000 per eligible applicant	Public agencies	Applications accepted in periodic application cycles.	Harley H. Davis (916) 651-9229
FEDERAL						
Funding Category	Program	Brief Description	Key Points	Eligibility	Submit Grant Application	Contact
Water Quality	EPA	Source Reduction Assistance: The purpose of this program is to provide an overall benefit to the environment by preventing the generation of pollutants at the source. This program seeks projects that support source reduction, pollution prevention, and/or source conservation practices.	Specific requirements for measurement and reporting requirements.	Units of state, local, and tribal government; independent school district governments; private or public colleges and universities; nonprofits; and community-based grassroots organizations.	Funding opportunity anticipated in FY 2008.	Leif Magnuson - Pollution Prevention Coordinator (415) 972-3286
Water Quality and Resource Stewardship	EPA	EPA Wetlands Program Development Grants: Projects that promote the coordination and acceleration of research, investigations, experiments, training, demonstrations, surveys, and studies relating to the causes, effects, extent, prevention, reduction, and elimination of water pollution	Three priority areas identified by the EPA: Developing a comprehensive monitoring and assessment program; improving the effectiveness of compensatory mitigation; and refining the protection of vulnerable wetlands and aquatic resources. Typically \$25,000 to \$250,000, but no set amount. 25% match required.	States, tribes, local governments, interstate associations, intertribal consortia, and national non-profit, non-governmental organizations are eligible to apply.	Grants to be awarded in FY 2008. Funding in later years is unknown.	Suzanne Marr US EPA Region 9 (415) 972-3468

**TABLE 6.1-1
POSSIBLE FUNDING OPPORTUNITIES**

Funding Objective	Program	Brief Description	Key Points	Eligibility	Submit Grant Application	Contact
Resource Stewardship	National Park Service	Rivers, Trails, and Conservation Assistance Program: The program provides staff assistance to conserve rivers, preserve open space, and develop trails and greenways.	Projects will be evaluated on how they meet the following criteria: 1) A clear outcome leading to on the ground success; 2) Commitment, cooperation, and cost-sharing by applicant; 3) Opportunity for significant public involvement; 4) Protection of significant natural and/or cultural resources and enhancement of outdoor recreational opportunities; and 5) Consistency with the National Park Service mission.	Nonprofits, community groups, tribes, or tribal governments; and state or local government agencies.	Applications are due August 1st for assistance during the next fiscal year. http://www.nps.gov/rtca/	Charlie Stockman (202) 354-6900
Resource Stewardship	Natural Resources Conservation Service	Watershed Protection and Flood Prevention: Funding for activities that promote soil conservation and the preservation of the watersheds of rivers and streams throughout the US.	Matching funds are not required: applicants must generally provide matching ranging from 0%-50% in cash or in-kind resources depending on such factors as project type and the kinds of structural measures a project proposes.	States, local governments, and other political subdivisions; soil or water conservation districts; flood prevention or control districts and tribes. Potential applicants must be able to obtain all appropriate land and water rights and permits to successfully implement proposed projects.	Not currently soliciting applications.	Luana Kiger, Acting Director Watershed Planning Services (530) 792-5661
Water Quality	United States Department of Agriculture (USDA) Rural Development	Water and Waste Disposal Program: Program that provides financial assistance (loans and grants) for community water, wastewater, and drainage systems in rural areas	Funds may be used for planning, design, and construction of new or existing systems; eligible projects include storage, distribution, source development; no funding limits, but average project size is \$1.8 million. Greater funding share provided for low-income communities.	Cities, towns, public bodies, and census designated places with populations less than 10,000. Must demonstrate financial need.	Applications accepted on continuous basis.	Dave Hartwell USDA State Office (530) 792-5818
Water Supply	United States Bureau of Reclamation (Reclamation)	Challenge Grant Program: Reclamation provides 50/50 cost share funding to irrigation and water districts and states for projects focused on water conservation, efficiency, and water marketing	Matching funds are required. Applicants must provide a minimum 50% of project costs in non-Federal cash or in-kind resources. Project work generally must be completed within 2 years of grant execution.	Eligible applicants include irrigation and water districts, state governmental entities with water management authority. Projects must be located in Western United States.	Funding opportunity anticipated in FY 2008.	Mr. Miguel Rocha, Water 2025 Program Coordinator, (303) 445-2841
Resource Stewardship	US Fish and Wildlife Service (USFWS)	North American Wetlands Conservation Act: Provides funding, up to \$75,000, for projects that provide long-term protection of wetlands and wetlands dependent fish and wildlife.	Partners must match the grant request at a 1 to 1 ratio.	Organizations and individuals who have developed partnerships to carry out wetlands conservation projects in the US, Canada, and Mexico.	Applications accepted on continuous basis.	Division of Bird Habitat Conservation, (703) 358-1784