New State Infrastructure Funding
2021 General Fund Appropriations

$1.82 Billion

- $650 M Wastewater
- $100 M PFAS*
- $350 M GW Cleanup and Water Recycling*

$650 M Drinking Water

$20 M Mexico-US Border Rivers

$50 M San Diego

*PFAS and GW Cleanup and Water Recycling Appropriated over 3 years (FY 2021 – 24)
2021 General Fund Allocation
$650M Wastewater

• Priority: septic-to-sewer conversions
• 5% for administrative costs
  o $617.5 for Projects
  o Committed by June 30, 2024
  o Disbursed by June 30, 2026
• May be used for SRF State Match
• Resolution No. 2021-0030, August 18, 2021
  o Authorized use of up to $100 M
• Amended 21/22 CWSRF IUP adopted March 15, 2022
  o Authorized use of full amount & established criteria
Amended 21/22 CWSRF (& DWSRF) IUP(s)

- Use existing CWSRF process to administer General Funds
- $350M Septic-to-Sewer Set-Aside
  - Small DACs awarded as applications are complete
  - Large DACs or Small Non-DAC must meet specific deadlines
- Changes apply to all funding administered under IUP, not just 2021 Budget Act allocations
  - Streamline funding processes
  - Shift from Max Per Project to Focus on Max Per Connection
  - Increase Per Connection Limits
  - Increase eligibility for small DACs regardless of rates
- Approved up to $85 million as Match for CW + DW SRF
Groundwater Cleanup/Water Recycling
2021 General Fund Allocation *

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<td>$150 M</td>
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• 5% for Administrative Costs
  o Leaves $330 M for grants
• Committed by June 30, 2024
• Disbursed by June 30, 2026

*SB 170, Section 89 and [Budget Addendum](#)
Groundwater Cleanup/Water Recycling Rollout

• Solicited Input on Rollout Plan
  • Public Workshop with Stakeholder Reps – February 2 + 2 Meetings with State and Federal Agency Reps – February 17 and February 28
  • Summarized status/procedures/requirements of existing programs
  • Discussed how existing programs can be used as basis for administering General Fund allocation
    • Proposition 1 Groundwater Grant Program (GWGP)
    • Water Recycling Funding Program (WRFP)
    • Site Cleanup Subaccount Program (SCAP)

• Proposed Rollout Plan – 30-day Public Comment Period
  • Expected Released – 1st week of April
  • Board Workshop – April 19, 2022
  • Board consideration of adoption – May 24, 2022, Board meeting
Estimated CWSRF Available Funds
FY 2022-26

$4.4 B - $5.2 B

$67 M
Emerging Contaminants
- Grant
(BIL Funding)

$1.3 B - $2.1 B
Any Project –
Loan/Grant
(BIL Funding)

$3.0 B
Any Project –
(Ongoing Loan Funding)

“BIL” = “Bipartisan Infrastructure Law”
BIL HIGHLIGHTS – FY 2022-26

• Appropriations + 2 Increases in Authorizations

• 2% of cap grants for technical assistance to small, rural and tribal communities

• Build America, Buy America (BABA)

• Emerging Contaminants – 100% Principal Forgiveness (PF)

• Base Program minimum PF changed from 0% to 10%; maximum unchanged at 40%
Opportunities

- Coordinate with & Complement State Infrastructure Appropriations
- $ for Clean Water Technical Assistance
- Use PF for Other Purposes/Goals?
  - PF may be provided to “a municipality or intermunicipal, interstate, or State agency” based on State’s affordability criteria or;
  - benefit individual ratepayers they will experience a significant hardship
  - Address water or energy efficiency, mitigate stormwater runoff, or encourage sustainable project planning, design, and construction
- Short-Term Increases in Annual Funding Target?
- Longer-Term Increase in SRF Capacity
Challenges

• Matching Federal Grants
  o Potentially 4X Historic Match Rate

• Build America, Buy America
  o Applies to all federal infrastructure programs May 14, 2022
  o OMB will establish guidelines, not EPA

• EJ 40
  o Executive order that 40% of federal funding benefit DACs
  o SRFs are pilot programs