

**CWSRF IUP FY 24-25
Response to Public Comments Received by July 15, 2024**

No.	Date of Comment	Commenter	Summary of Comments	SWRCB Staff Response to Comments	Comment Submitted by:
1	7/11/2024	Water Innovation Services	<p>The State Board should revise its CWSRF IUP as follows:</p> <ul style="list-style-type: none"> oMaintain a full \$40 million of FY23-24 CWSRF principal forgiveness (PF) funding for municipal stormwater projects. All MS4s should be eligible to apply for these funds regardless of their size or whether they are DACs. oReserve an additional \$40 million of FY24-25 CWSRF PF funding capacity for municipal stormwater projects. All MS4s should be eligible to apply for these funds regardless of their size or whether they are DACs. oThe proposed provisions regarding limitation of OSG grant fund usage to address the planning and implementation needs of small DACs should be revised. This limitation makes it impossible for larger cities with large segments of disadvantaged populations suffering from environmental justice impacts to be considered for OSG funding. oReconsider the proposal to transfer new emerging contaminants CWSRF funds to the drinking water program, and clarify the eligibility of stormwater programs to apply for these funds to address emerging contaminant control through MS4 programs and projects. 	<p>Staff appreciate the comment. DFA has revised the IUP to increase the total available PF for stormwater projects (\$20 M instead of \$10 M).</p> <p>Regarding the use of OSG allocations for stormwater projects, DFA is evaluating adding non-DAC stormwater projects to its next OSG award application in May 2025. For past couple of years, the allotment has been around \$4.5 million each year and OSG requires at least 25 percent of the allotted funds to be used to carry out projects in rural communities (population of 10,000 or less).</p> <p>Emerging contaminant funds have specific eligibility requirements, including addressing an identified emerging contaminant. (See eligibility here: https://www.epa.gov/cwsrf/cwsrf-emerging-contaminants-frequent-questions-and-answers#eligibility.) DFA has not yet received a stormwater funding application aiming to address an identified emerging contaminant.</p> <p>DFA looks forward to working with CASQA on the proposed recommendations, including outreach.</p>	David Smith
2	7/15/2024	California Stormwater Quality Association (CASQA)	<p>Requests the following:</p> <ul style="list-style-type: none"> oRestore PF to \$40 million. Stormwater capture is a state priority, but funding for it is limited. oAfter the current funding is expended, allocate additional PF to stormwater projects. oCreate a call for concept proposals for stormwater projects. oCreate an application designed for stormwater projects. oIncrease outreach and communication to stormwater community. oOpen Sewer Overflow and Stormwater Reuse Municipal Grants (OSG Grant) to other communities aside from small DACs. oReconsider transferring Clean Water SRF Emerging Contaminant funding to Drinking Water SRF and clarify eligibility for stormwater projects to apply for these funds. 	<p>Staff appreciate the comment. DFA has revised the IUP to increase the total available PF for stormwater projects (\$20 M instead of \$10 M).</p> <p>Application instructions are available online on the State Water Board's website. DFA will continue to work on improving its website content to better assist applicants. DFA regularly updates the Application Status Report that is available online at https://public.waterboards.ca.gov/dfaAppSTAT/</p> <p>DFA looks forward to continuing conversations on improving application instructions and funding guidance (such as timelines). Staff will reach out to Los Angeles County Public Works to further discuss project specific timeline questions.</p>	Karen Cowan
3	7/15/2024	Los Angeles County Public Works	<ul style="list-style-type: none"> oIncrease stormwater principal forgiveness from the \$10 million limit. oProvide application instructions with application instructions for grants, PF, and loans, respectively. oProvide a clear timeline for CWSRF applications. 	<p>Staff appreciate the comment. DFA has revised the IUP to increase the total available PF for stormwater projects (\$20 M instead of \$10 M).</p> <p>Application instructions are available online on the State Water Board's website. DFA will continue to work on improving its website content to better assist applicants. DFA regularly updates the Application Status Report that is available online at https://public.waterboards.ca.gov/dfaAppSTAT/</p> <p>DFA looks forward to continuing conversations on improving application instructions and funding guidance (such as timelines). Staff will reach out to Los Angeles County Public Works to further discuss project specific timeline questions.</p>	Nicole Cichy

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4	7/15/2024	Water Reuse CA and California Association of Sanitation Agencies (CASA)	<p>oSupport loan Scenario D.</p> <p>oRecommend the Board continue working with SRF Advisory Group to implement SRF Program Review recommendations to execute funding agreements expeditiously.</p> <p>oOutreach to project proponents to determine which projects are subject to BABA, not just assign large projects as equivalency.</p> <p>oWRFP grant – propose 2 DAC get fully funded and the remainder of split between previous and new projects, such that previous projects are awarded an additional \$3 million and new projects are awarded \$3 million. If any projects drop off the fundable list, the grant funding would be split equally between previously funded projects.</p> <p>oRecommend discussing criteria for DAC recycled water projects to be eligible to receive PF under CWSRF and DWSRF.</p>	<p>Staff appreciate the comment. DFA looks forward to continuing working with the SRF Advisory Group to evaluate and implement process improvements and recommendations to the SRF Program.</p> <p>DFA selected equivalency projects based on loan value, whether the project is already receiving federal funding and subject to BABA requirements, and the MHI of the community. Staff recognizes that BABA compliance often increases the project cost for applicants. There are also ongoing conversations with U.S. EPA to get clarification about applicability of other BABA waivers to SRF and regarding equivalency eligibility. DFA will continue to communicate with applicants on this topic.</p> <p>Staff appreciate the comment. The final IUP proposes to fully fund small DACs and offer a maximum \$3 million to all other projects, on top of previous projects' existing \$5 million allocation, per CASA and WaterReuse's recommendation. Staff is also recommending that projects on the Fundable List requesting WRFP grant must consent to SWB provisions through legal consultation and provide all documents requested by DFA by March 31, 2025. Entities unable to meet both deadlines will be ineligible for grant funding in FY24/25 and will be considered in FY25/26.</p> <p>DAC recycled water projects are eligible for PF. However, due to limited funding availability this fiscal year, the State Water Board is prioritizing PF for small DAC projects that either address permit violations or connect previously unsewered areas/regionalize wastewater treatment. Small DAC recycled water projects would not be prioritized under PF.</p>	Beth Olhasso
5	7/15/2024	Las Virgenes Municipal Water District (LVMWD)	<p>oSupports grant scenario A, to evenly split grant to all eligible projects.</p> <p>oOpposes the scenario to only restore funding to previous projects and fund no new projects.</p> <p>oRequests waiver of Build America Buy America (BABA) requirement. LVMWD's Pure Water project, which is in the process of closing a WIFIA loan, has a confirmed BABA waiver from WIFIA that must be honored by the State in consideration of the SRF funding.</p>	<p>Staff appreciate the comment. The final IUP proposes to fully fund small DACs and offer a maximum \$3 million to all other projects, on top of previous projects' existing \$5 million allocation, per CASA and WaterReuse's recommendation.</p> <p>Based on most recent guidance the State received from U.S. EPA, the applicability of the WIFIA's BABA design-planning waiver to SRF would be made on a case-by-case basis. DFA is working closely with WIFIA and U.S. EPA to get clarification for projects that have previously received a BABA waiver from WIFIA.</p>	Don Patterson
6	7/12/2024	City of Pismo Beach and Central Coast Blue Regional Recycled Water Authority	Requests the State Board to reinstate the \$15 million Water Recycling Funding Program (WRFP) Grant that was estimated to the CCBRRWA in the 2023-24 Clean Water State Revolving Fund Intended Use Plan for the Central Coast Blue Project and continue to support the project with additional grant funding and low-interest financing.	<p>Staff appreciate the comment. The final IUP proposes to fully fund small DACs and offer a maximum \$3 million to all other projects, on top of previous projects' existing \$5 million allocation, per CASA and WaterReuse's recommendation.</p>	Jorge Garcia
7	7/15/2024	San Francisco Public Utilities Commission (SFPUC)	Supports restoring grant to previous projects impacted by FY 23-24 grant reduction. These projects have already undergone the review process and can expend the funds quickly.		Ronald P. Flynn
8	7/15/2024	Carpinteria Valley Water District (CVWD) and Carpinteria Sanitary District	Request the State Water Board restore \$15 million in water recycling grant to the Carpinteria Advanced Purification Project.		Case Van Wingerden, Bob McDonald (CVWD)
9	7/2/2024	Irvine Ranch Water District (Oral Comment Only)	Urge the Board to take water recycling grant scenario B off the table.		Christine Compton
10	7/15/2024	City of San Diego	<p>oRegarding the Sewer Project Pump Station 2 Improvements and Modernization (8805-210) - Score the project as "Corrective" instead of "Preventative", which would give the project a score of 13 instead of 11.</p> <p>oIncrease the loan maximum above \$50 million per project.</p>	<p>Staff appreciates the comment. DFA staff agrees that with the Notice of Violation that the City submitted on 7/5/24, this project will now qualify as a "corrective" score in the next scoring round. The revised score will be reflected in next year's IUP.</p> <p>The State Water Board, in coordination with its financial advisor, found that scenario D with a loan maximum of \$50 million will incorporate a greater number of projects for a total loan amount slightly above the sustainable loan capacity but still within the funding target range to ensure long-term sustainability. Staff will continue to work closely with the Water Board's financial advisor and stakeholders to continue to operate the fund in the most prudent and effective manner to maintain the fund in perpetuity.</p>	Adam Jones

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11	7/15/2024	Los Angeles County Sanitation Districts	<ul style="list-style-type: none"> oConcerns with funding capacity (\$798 million loan capability is much less than the \$1.47 billion requested) oConcerns with loan agreement processing and disbursement timelines. oClarify how much is expected to be allocated to each program (loan, water recycling, stormwater, SCWW). oWhy applications are originally scored as complete if they still need supplemental environmental documents. oNo mention of updates to implement EFC recommendations in the IUP. 	<p>Staff appreciate the comment. DFA looks forward to continuing conversations with stakeholders to implement process improvements and discuss the financial capacity of the CWSRF Program.</p> <p>In the IUP, each project section (sections IV through VIII) describe how much is expected to be allotted to each program.</p> <p>Applications are scored based on a preliminary review of the package. After in-depth review, staff may discover that supplemental info are needed to move forward with federal environmental consultations. Supplemental environmental documents needed are specific to each project (e.g., some projects may require a supplemental bird survey after evaluating environmental impacts, but this won't apply to every project).</p> <p>Added updates to discussing and implementing EFC recommendations in Section XIII.C of the IUP.</p>	Andrew J. Hall
12	7/15/2024	Eastern Municipal Water District	<ul style="list-style-type: none"> oSupports State Board staff's recommendation of Scenario D oSupportive of WRCA's Scenario D with respect to the WRFP which would fund the DAC projects and provide approximately \$3 million to previously approved and new projects. oSupports Technical Corrections to Appendix G 	<p>Thank for your comment. Staff reviewed the requested technical corrections and made necessary revisions.</p>	Joe Mouawad
13	7/2/2024	Elsinore Valley Municipal Water District (Oral Comment Only)	<p>Asks the Board to consider factors such as escalating construction costs affecting existing projects.</p> <p>Endorses the proposal to transfer Emerging Contaminant funding to DWSRF and supports raising the funding threshold to \$10 million per waste system that applied previously.</p>	<p>Staff appreciate the comment. The final IUP proposes a grant cap of \$15 million for treatment system or collection system improvement projects and a grant cap of \$30 million for septic to sewer projects for Small Disadvantaged community projects.</p>	Chance Edmondson
14	7/15/2024	Leadership Council, Community Water Center, and Clean Water Action	<ul style="list-style-type: none"> oPrioritize funding for DACs that received state funded Technical Assistance (TA) in the past. oDedicate all PF to small DACs. oAsk the Board to fund a project through grant or PF funding over \$25M if a project presents a unique circumstance and good cause. oAllow the Deputy Director of DFA to retain the discretion to award incentives if sufficient funding is available. oFund laterals and septic decommissioning on private property for Small DACs. oSmall Community Wastewater Grant Fund of \$8 million has remained unchanged over a decade. Revisit this cap to determine the funding and more frequently utilize the in-lieu fee. oSuggest these metrics: <ul style="list-style-type: none"> 1. Conduct initial application completeness reviews and notify applicants within 21 days. 2. Complete environmental reviews within 3 months of receiving complete financial information and legal concurrence with agreement conditions. 3. 50% of complete disbursement requests are fulfilled in less than 30 days; and 100% of completed disbursement requests submitted by DAC or SDAC projects will be processed by the Board within 10 days. 	<p>Staff appreciate the comments. DACs that have received TA in the past should be set up to have complete and competitive applications for funding. However, DFA staff don't recommend prioritizing funding projects that received TA over other projects that completed their own planning work with different funds or via a planning grant.</p> <p>Most of the PF will be directed towards the Small Community Wastewater Program that is specific for small DACs.</p> <p>DFA may take unique projects to the State Water Board for approval beyond what is listed in the IUP.</p> <p>Staff propose restoring the 0% loan consolidation incentives, but not the grant incentive at this time due to limited funding available.</p> <p>DFA is looking into potentially increasing funds in the SCG Fund and the potential of increasing the amount that can be awarded each year. It should be noted that is would require a Budget Act approval and will be considered in the greater fiscal context of CWSRF and it's leveraged program.</p> <p>DFA will consider the metric suggestions and work internally to identify areas of improvement.</p>	Elana Muroff, Erick Orellana, and Jennifer Clary
15	7/15/2024	Self-Help Enterprises	<ul style="list-style-type: none"> oSupport making DACs a priority for grant funding. oSupport allowing DD to approve grant/PF max up to 6 million regardless of amount per connection. oSupport allowing work on private property to connect to existing infrastructure. oRecommend establishing an Emergency Wastewater Grant Program, drawing from the cleanup and abatement program. 	<p>Staff appreciate the comments and your support.</p> <p>It is currently possible to fund certain emergency wastewater issues per the Cleanup and Abatement Account Guidelines, which state that "Emergency projects that require immediate action to mitigate a significant threat to the environment or a threat to public health and safety where there has been no viable responsible party (RP) identified, or where the viable RP is unwilling or unable to adequately respond to the emergency."</p>	Thomas J. Collishaw
16	7/11/2024	Fall River Joint Unified School District	<p>Urges the Board to award funding to the Town of McArthur Sewer Project.</p>	<p>Staff appreciate the comment. The final IUP proposes a grant cap of \$30 million for septic-to-sewer projects. In addition, wastewater projects for small severely disadvantaged communities that prevent or reduce groundwater contamination, including septic-to-sewer projects, are potentially eligible for Groundwater Grant Program (GWGP) grants. GWGP grant limits will be as provided in Table 3 and Table 4 of the CWSRF IUP, but are in addition to the maximum grant or principal forgiveness awarded from other funding sources through the CWSRF.</p>	Greg F. Hawkins
17	7/15/2024	Fall River Valley Community Services District	<p>Urges the Board to allocate the necessary funds to support the Fall River Valley CSD's septic to sewer program</p>		Bill Rodeski
18	7/15/2024	Fall River Valley Community Services District	<p>Allocate necessary funding to the Fall River Valley Community Services District septic-to-sewer project. The project has been planned and scoped at a time when there were no funding caps or per connection caps.</p>		Cecil D. Ray
19	7/15/2024	Bill Johnson	<p>Requests the State Water Board to quickly and fully fund the Fall River Valley CSD project.</p>		Bill Johnson
20	7/15/2024	City of Wheatland and Olivehurst Public Utility District (OPUD)	<p>Request the State Water Board fund both Wheatland's and OPUD's CWSRF DAC grant applications. Requests the full allocation of \$25 million for each project for a total of \$50 million.</p>	<p>Staff appreciate the comment. The final IUP proposes a grant cap of \$15 million for treatment system or collection system improvement projects. The maximum grant/PF is per community and based on all funding the community receives in a five-year period (not including GWGP funding). Therefore, if a consolidation project serves two separate small DAC communities, there is potential to get \$15 million per community.</p>	Rick West (Wheatland), Marc PerraUlt (OPUD)

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21	7/2/2024	Soboba Band of Luiseno Indians (Oral Comment Only)	Believes their application is complete as of 7/1/2024. Requests Board declare the project eligible for funding and allow partial funding (\$20 M) for first phase, \$37.5 M needed total.	DFA staff are working with the applicant to collect a few remaining application documents and are currently reviewing the documents that have been received. Because the project is eligible under the SCWW program, it may be added to the Fundable List after the Deputy Director deems the application complete and funding is available.	Ali Sahabi
22	7/2/2024	Central Valley Clean Water Association (Oral Comment Only)	Concerns with eliminating incentive for consolidation. These projects take years to get community acceptance and design. When funding is not available, people will not invest in these projects.	Staff appreciate the comment. Staff propose restoring the 0% loan consolidation incentives, but not the grant incentive at this time due to limited funding available.	Debbie Mackey
23	7/2/2024	City of Fresno (Oral Comment Only)	Fresno continues to reach out to its communities for its Daleville septic to sewer project.	Staff appreciate the comment.	Bob Gore