

# Division of Financial Assistance Water Recycling Funding Program (WRFP)



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# Water Recycling Funding Program

The Water Recycling Funding Program offers grants and loans to local agencies to plan, design and construct water recycling facilities. Authorization is provided through:

- The Water Security, Clean Drinking Water, Coastal and Beach protection Act of 2002 (Proposition 50).
- The Seawater Intrusion Control Loan Fund (SWIC), and
- The Clean Water Bond Law of 1984 ('84 Bond)
- The Costa Machado Water Act of 2000 (Proposition 13),
- The Clean Water State Revolving Fund (CWSRF), and
- The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1)

# Water Recycling Funding Program (WRFP)

## Total Funding Provided by the SWRCB for Water Recycling Activities

Funding Source	Construction loans	Construction grants	Planning grants	Research grants	Totals
1978 Bond Law	-	11,194,122	-	-	\$11,194,122
1984 Bond Law	\$49,691,905	-	-	-	\$49,691,905
1988 Bond Law	\$37,791,991	-	-	-	\$37,791,991
1996 Bond Law (Prop. 204)	\$1,811,821	-	-	-	\$1,811,821
1996 Bond Law (Prop. 13)	\$20,379,516	\$37,312,273	\$3,105,674	\$1,993,542	\$62,791,005
2000 Bond Law (Seawater Intrusion Control Loan Fund)	\$17,864,898	-	-	-	\$17,864,898
2000 Bond Law (Prop. 13)	251 Distinct projects that received SWB funding, partial or in whole.		\$3	406,708 AFY Volume of recycled water proposed by SWB funded projects.	
2002 Bond Law (Prop. 50)					
Clean Water State Revolving Fund (CWSRF)	\$1,260,709,085	-	-	-	\$1,260,709,085
2014 Bond Law (Prop. 1)					
<b>TOTAL</b>	<b>\$1.41 Billion</b>	<b>\$153 Million</b>	<b>\$6.76 Million</b>	<b>\$4.31 million</b>	<b>\$1.57 Billion</b>

# Water Recycling Funding Program Guidelines

- The draft amended WRFPP guidelines and the proposed plan to implement Proposition 1 Water Recycling funding were posted last Thursday, March 12<sup>th</sup>
- Stakeholders will have the opportunity to provide State Water Board staff with feedback and input on the draft guidelines.
  - Three public workshops
    - A) Central - April 14, 2015 in Fresno, CA
    - B) South - April 16, 2015 in Perris, CA
    - C) North - April 21, 2015 in Sacramento, CA
- Comments will be due Friday April 24, 2015.
- Anticipate approaching the State Water Board in June to recommend adoption of the Guidelines with implementation in July.

# Proposition 1

## Recycled Water Funding

- \$625 million is proposed for recycled water funding with the remaining \$100 for desalination.
- In general, the funding will be allocated to the State Water Board as:
  - 50% for loans (\$300 million, minus)
  - 50% for grants (\$300 million, plus)

# Planning Grants

## Existing

## Proposed

### Planning Grants

- **State Share:** 50%
- **Maximum Grant:** \$75,000

- **State Share:** 75%
- **SAME**

# Construction Financing

## Existing

## Proposed

### Construction Financing

- **Interest:** 1/2 General Obligation Bond Rate
- **Term:** 20 year
- **Allowance:** 15% of the eligible financing amount for design and construction allowances

- **SAME**
- **Term:** 30 year
- **Allowance:** Follows the CWSRF Policy

# Construction Grants

## Existing

## Proposed

### Construction Grants

- **State Share:** 25%
- **Maximum Grant:** \$5,000,000
- **Allowance:** 15% of the eligible grant amount for design and construction allowances

- **State Share:** 35%
- **Maximum Grant:** \$15,000,000
- **Allowance:** 15% of the eligible grant amount for construction management, contingency, and other construction allowances



# Grant Equivalency

## Grant Equivalency

### State vs Market Rates

\$1 million loan, 30 year term, 5% discount factor

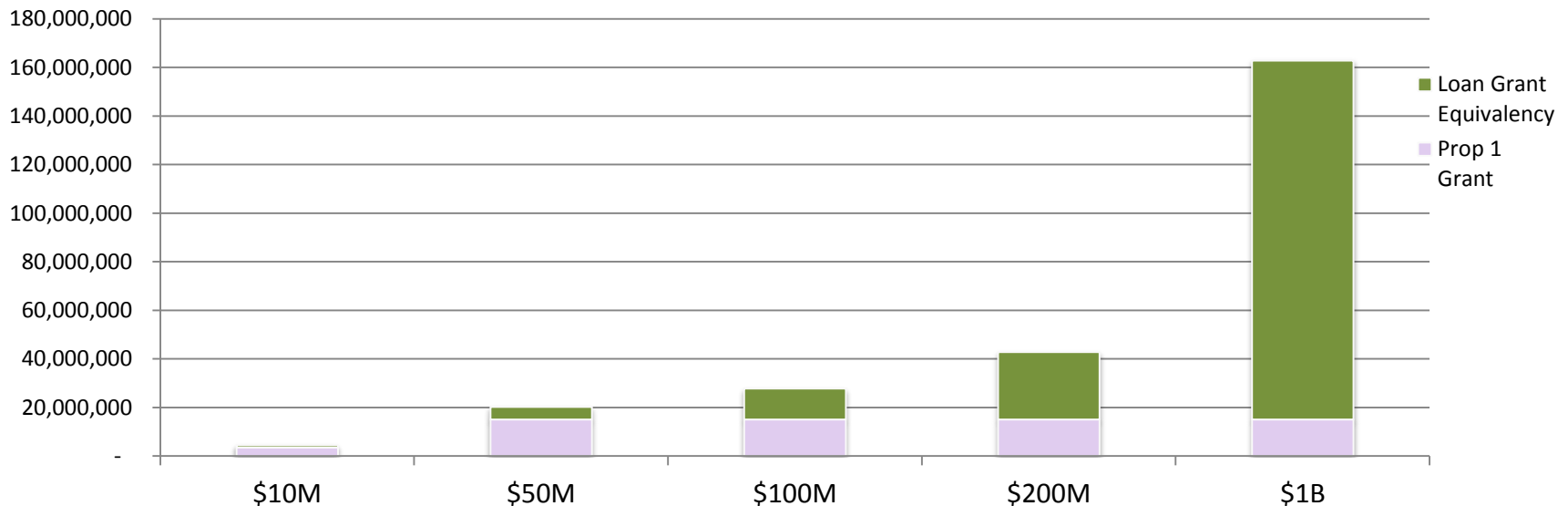
		State Loan Rate (Prop 1 and CWSRF)					
		0%	1%	2%	3%	4%	5%
Market Rate	2%	17%	9%	0%	-10%	-20%	-31%
	3%	27%	19%	10%	0%	-10%	-22%
	4%	38%	29%	20%	10%	0%	-11%
	5%	49%	40%	31%	22%	11%	0%
	6%	60%	52%	43%	33%	23%	12%
	7%	73%	64%	55%	45%	35%	24%

# Leveraging Funding

## Construction

### Costs:

	\$10 Million	\$50 Million	\$100 Million	\$200 Million	\$1 Billion
Construction Grant:	\$3,500,000	\$ 15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Agency Rating: 3%	\$650,000	\$3,500,000	\$8,500,000	\$18,500,000	\$98,500,000
Agency Rating: 3.5%	\$975,000	\$5,250,000	\$12,750,000	\$27,750,000	\$147,750,000
Agency Rating: 4%	\$1,235,000	\$6,650,000	\$16,150,000	\$35,150,000	\$187,150,000
Total Subsidy:	\$4,475,000	\$20,250,000	\$27,750,000	\$42,750,000	\$162,750,000



# Thank you

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