State of California—Health and Human Services Agency
California Department of Public Health

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Director & State Health Officer

EDMUND G. BROWN JR.
Governor

February 15, 2013

NOTICE OF AVAILABILITY FOR PUBLIC REVIEW AND COMMENT

DRAFT AMENDED 2012-2013 INTENDED USE PLAN

SAFE DRINKING WATER STATE REVOLVING FUND (SDWSRF)

To Public Water Systems and Interested Parties:

Each year, the State of California applies for a capitalization grant from the SDWSRF Appropriation. As part of the grant application, the California Department of Public Health (CDPH) develops the Intended Use Plan (IUP) describing the state plan for utilization of the SDWSRF funding including a description of funded activities, processes used to fund projects and distribute funds. CDPH finalized the 2012-2013 IUP and applied to the US Environmental Protection Agency (USEPA) for the SDWSRF capitalization grant of $83.9 million in August 2012. However, to better utilize and manage the SDWSRF program as well as responding to the needs of public water systems (PWSs) and communities for safe drinking water, CDPH amends its 2012-2013 IUP and hereby announces the availability of the IUP amendment for review and comment. A brief summary of the changes is included in this Notice and details of those changes are underlined in the Draft Amended IUP. Once finalized, CDPH will submit the Amended IUP and related documents to the USEPA for approval prior to implementation.

1. Create a Pre-Planning and Legal Entity Formation Assistance Program under Local Assistance Set-aside

CDPH is introducing a pilot program designed to assist applicants with pre-planning activities, including the identification and/or formation of appropriate legal entity as needed to enable access to the SDWSRF project funding process. CDPH will set aside 1.5 percent ($1,280,370) of its SDWSRF Local Assistance set-aside to assist community where homes obtain drinking water from domestic wells or surface water sources with violation(s) of primary drinking water standards. The communities must be in a defined geographic area with at least 15 homes, and not currently served by a PWS. These funds would be used to conduct pre-planning studies including identification of the affected area and interested parties, study of options to solve the problem, and establishment of an eligible entity to apply for and receive further funding assistance for planning and/or construction. CDPH intends to limit funding to a maximum of $250,000 per application concerning a defined geographical area per capitalization grant set-aside.

2. SRF Process for Emergency Projects

CDPH will accept new pre-application(s) submitted by PWSs that have experienced an emergency requiring infrastructure repair or replacement of its water system. An emergency event will be limited to a sudden or unexpected event which has occurred, is occurring or is an imminent threat, requiring immediate action to avoid or mitigate serious health effects to persons served by the PWS due to the PWS's inability to provide an adequate supply of safe drinking water to its service area. Events which constitute an emergency include disruption or contamination of drinking water supplies caused by events

including fire, flood, earthquake, drought or other natural disasters. The emergency project will be ranked in the appropriate category and placed on the Emergency Project List. The list will be posted for 30-day public comment prior to being adopted into the comprehensive SDWSRF PPL. Invitation to submit a full application will be extended for SDWSRF funding. Emergency projects will be subject to all applicable SDWSRF requirements and be processed in the order their complete applications are received and in the same manner as other SDWSRF projects in the pipeline.

3. Incorporate CDPH Small Water System Program Implementation Plan into Capacity Development Strategy

CDPH has created a list of small community PWSs with fewer than 1,000 service connections that are in violation of at least one health-based drinking water standard. CDPH has developed an implementation plan that would raise the compliance rate for these small water systems by 1% per year for three years by solving the problems of approximately 21 systems each year. As part of this Implementation Plan, CDPH will allocate resources to ensure that the targeted water systems are provided assistance in establishing appropriate water rate structures and that these systems are brought up to a level of technical, managerial, and financial capacity that will enable them to sustain compliance into the future.

4. Promote Consolidation

CDPH intends to utilize its PPL ranking criteria as a means of providing an incentive to encourage a PWS to agree to consolidate physically with one or more PWSs with higher ranked project(s). A PWS with a project ranked in a lower PPL category that agrees to physically consolidate a PWS with a higher ranked project could be re-ranked into the same PPL category as the PWS with the higher ranked problem. The higher ranking would offer the PWS two major incentives: 1) its project likely would be in a fundable category and invited to submit a full application, and 2) its project would be evaluated for grant funding based on the higher PPL category. To take advantage of these incentives, a PWS would need to demonstrate agreement between/among consolidating entities and would need to agree to submit an application when invited to do so. This requirement is intended to assure that the re-ranked projects proceed expeditiously to solve the most serious health-based problems on the PPL.

Interested parties may review the Draft Amended 2012-2013 IUP at http://www.cdph.ca.gov/services/funding/Pages/SRF.aspx . Comments may be submitted to CDPH in any of the following ways:

1. Electronically via email to DWPFunds@cdph.ca.gov
2. In writing via mail:

SDWSRF (MS 7418)
P.O. Box 997413
Sacramento, CA 95899-7413
Attn: Uyen Trinh-Le

3. In writing via fax to: (916) 449-5656

In order for comments to be considered, they must be received at the SDWSRF Sacramento office or postmarked no later than 5:00 p.m. on Monday, March 18, 2013.

Sincerely,

Leah G. Walker, P.E., Chief
Division of Drinking Water and Environmental Management