



Tulare Lake Basin Disadvantaged Community Water Study: Recommendations for improving DAC funding

In 2008, the Legislature directed the California Department of Water Resources to grant \$2 million to the County of Tulare to develop a plan for regional water and wastewater solutions for disadvantaged communities (DACs) in the Tulare Lake Basin, including areas in Fresno, Kern, Kings and Tulare Counties. The resulting *Tulare Lake Basin Disadvantaged Community Water Study* was completed in August 2014. Informed by an extensive stakeholder participation process, the Study identified the priority issues limiting access to safe and affordable drinking and waste water solutions in the region and proposed specific recommendations for achieving sustainable community water solutions.

One of the priority issues identified in the Study was inadequate or unaffordable funding or funding constraints to make improvements including a lack of affordable or accessible funding and inadequate funding to make successful grant applications (i.e. lack of funding for grant writers, preliminary engineering, etc). Despite marked improvements in recent years that have helped to reduce barriers and increase access to funds by DACs, funding continues to not reach many of those communities that need it most.

The TLB Study identifies six specific recommendations to improve scoring criteria and guidelines to better address DAC needs, get to the communities that need it most, and create long-term affordable and sustainable solutions for DACs.

1. *Consider changes on Category E (insufficient source water capacity or delivery capability) project rankings, to make it easier to get funding for that category of projects.* There are many communities with insufficient water supply, however, the criteria for funding eligibility is heavily weighted on water quality changes. Review and revise the guidelines for ranking of funding eligibility criteria to enable funding assistance for water supply sources, especially for those communities with a single source of supply.
2. *Continue the pre-planning and legal entity formation assistance program. Consider creating a similar program for wastewater for areas currently on septic.* There is a need for more flexible pre-planning funding to enable evaluation of appropriate governance alternatives to develop shared and regional solutions for areas not currently served by a public water system. This will both enable California to use its State Revolving Fund (SRF) effectively, and help communities most in need of developing solutions be able to do the analysis it needs to develop the best solution, and address eligibility barriers. Similarly, creation of a similar program should be evaluated for areas on septic or with unaffordable wastewater services to evaluate development of shared regional wastewater solutions.
3. *Continue the Consolidation Incentive Program, however, modify the system so that large*

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systems do not obtain benefits that are significantly out of proportion to the benefits provided by consolidation. Also consider expanding the consolidation incentive program and make it available to larger systems seeking to assist those on State Smalls Systems and private well impacted by the drought and/or facing water quality challenges. There does not appear to be any limitation on the benefits received by the entity willing to allow the consolidation of a smaller system. Consider placing a limit on the allowed value of Incentive System Projects that may be re-ranked to a higher Priority Category by virtue of a consolidation project.

4. *Consider ways to expedite the funding process, so that communities applying for funding do not spend several years drinking water that does not meet primary drinking water standards, and/or relying on insufficient water supply.* Consider amending funding regulations and intended use plans to allow application by water systems that can demonstrate a documented increase in a regulated contaminant that is projected to exceed the MCL in two to five years. Also consider methods to speed up the funding process, including amending planning contracts by added design and construction phases.
5. *Streamline the process for payment of claims for state-funded projects, so that local water providers can receive more timely reimbursement.* Waiting six weeks or more for state reimbursement puts water and wastewater systems in a difficult position. Often they owe hundreds of thousands of dollars to a contractor for a month's work, and simply have no way to pay until they receive their state check. Streamline reimbursement processes by being less stringent on documentation. Set up electronic fund reimbursement and other processes to expedite payments. Consider making advances in cases of hardship.
6. *Require privately owned for-profit systems to conform to all requirements (including audits and other fiscal requirements) of publically owned systems in order to receive public funding assistance.* Care should be exercised to not remove the private owner responsibility for the water or wastewater infrastructure. Ensure that the requirements associated with audits, fiscal reserves, rate structures, operational budgets, operation and managerial requirements and technical requirements are mandated equally to all potential recipients of public funding assistance.

Worsening drought conditions in the state make these recommendations more important than ever before. DACs are on the front line, feeling the impacts of increased drinking water contamination and well failures most acutely and having the least ability to adapt and mitigate these conditions. Proposition 1 and state drought funding plays a vital role in addressing the needs of the most vulnerable communities, primarily small, rural areas that are disadvantaged, or severely disadvantaged. Funding should be targeted in order to systematically reduce the number of non-compliant public water systems and impacted communities that lack a centralized water system.

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