

**Agenda Item: 9-11A**

**Meeting Dates: February 9 and 10, 2005**

**JOINT MEETING WITH BAY-DELTA PUBLIC ADVISORY COMMITTEE**

**CONSIDERATION OF A RESOLUTION CONCURRING WITH THE  
STATE WATER RESOURCES CONTROL BOARD'S ADOPTION OF  
WATER RECYCLING FUNDING PROGRAM COMPETITIVE PROJECT LIST**

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**Summary:** This resolution would concur with the State Water Resources Control Board's adoption of the Competitive Project List for its Water Recycling Funding Program using Proposition 50 funds in accordance with the Water Recycling Funding Program Guidelines and consistent with the relevant statutes and CALFED Bay-Delta Program objectives.

**Recommended Action:** Staff recommends that the Authority adopt the attached Resolution 05-02-02, which concurs with the State Water Resources Control Board's adoption of the Water Recycling Funding Program Competitive Project List.

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**Background**

The State Water Resources Control Board (SWRCB) administers the Water Recycling Funding Program (WRFP), an on-going program to fund the planning, design and construction of water recycling projects. It has been sustained by bond issues in 1984, 1988, 1996, 2000, and 2002 (Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, incorporated into Division 26.5 of the Water Code), as well as the State Revolving Fund for Construction of Wastewater Treatment Facilities. Funds for water recycling from Proposition 50 are authorized under Chapter 7, which is designated for the implementation of the CALFED Bay-Delta Program. The Legislature appropriated approximately \$9.2 million from Proposition 50 for water recycling projects in Fiscal Year 2002-03. An additional \$42 million was appropriated in Fiscal Year 2003-04.

The WRFP is administered under *Water Recycling Funding Program Guidelines* (Guidelines), which were revised to incorporate new provisions related to Proposition 50 funds and, following recommendation by the Authority (Resolution 04-10-03), adopted by the SWRCB on October 21, 2004. Proposition 50 funds are being made available for the construction of water recycling projects.

The key features of the construction grants in the Guidelines are as follows:

1. Construction grants are to be limited to 25 percent of the eligible construction cost of a proposed project, or \$5 million, whichever is less. The maximum grant may be reduced to distribute available funds among a greater number of projects.
2. Retroactive grant funding of eligible construction costs incurred on or after January 1, 2004, is available.
3. Eligible funding recipients include public agencies and privately owned water utilities that are regulated by the California Public Utilities Commission.

There are two major steps in the water recycling construction grant process:

(1) placement on a Competitive Project List (CPL); and (2) application to the SWRCB for funding. Based on a questionnaire submitted by potential applicants, projects were placed in one of six categories of the CPL. Consistent with Chapter 7 of Proposition 50, Category I projects are projects that help implement the CALFED Bay-Delta Program by:

- Providing for treatment and delivery of municipal wastewater or groundwater contaminated due to human activity for uses that offset State Water Supply; and
- Providing benefits to the Delta by:
  - Increasing the average water flow into the Delta, or
  - Reducing water pumping from the Delta.

Proposition 50 funds will be used only for Category I projects. As other sources of funds become available, other categories of projects will be considered for funding as described in the Guidelines.

The SWRCB announced the adoption of the Guidelines and procedures for placement on the CPL on October 28, 2004 through posting on its website and e-mail notification. Agencies requested placement of water recycling projects on the CPL through a new on-line Financial Assistance Application Submittal Tool (FAAST). A detailed questionnaire was submitted through FAAST to provide the information needed to classify the projects. The CPL questionnaires were due on December 21, 2004. The draft CPL proposed for adoption was posted on the Website and made available for public comment 10 days prior to the Board Workshop. The SWRCB received public comments during the comment period and at its January 4, 2005 Workshop. As a result of public comments, one project was elevated to Category I and several administrative corrections were made to the CPL, which was adopted on January 20, 2005. A copy of the adopted CPL is attached.

A project's placement on the CPL is not a commitment for funding. An applicant must take the second step and submit a formal application, including a planning report, for

review and approval. The application must substantiate the benefits of the proposed project in accordance with its category on the CPL and the applicant's readiness to proceed with design and construction. Applications submitted by January 20, 2005 for projects placed in Category I on the CPL are being reviewed for first consideration for the available Proposition 50 funds. If adequate applications received by that date exceed \$42 million, procedures set forth in the Guidelines will be followed to allocate the funds.

The current schedule of the Water Recycling Funding Program for construction grants is as follows:

10/21/04	SWRCB adopted Guidelines
10/28/04	Announced CPL process and availability of Proposition 50 funds
12/21/04	Final due date for CPL questionnaires
1/4/05	SWRCB public Workshop
1/20/05	SWRCB adopted CPL
10/21/04 – 1/20/05	Initial grant applications accepted
April 2005	SWRCB approves recommended list of Category I funding applications
Feb-Jul 2005	SWRCB approves individual grant commitments
Starting Jul 2005	Grant agreements executed

The use of the Chapter 7 Proposition 50 funds for the WRCP qualifies as a Category A program under CALFED Record of Decision, subject to Authority action. The SWRCB is requesting that the Authority concur with the adoption of the CPL.

### **Fiscal Information**

**Funding Source:** Proposition 50, Water Code, Division 26.5, Chapter 7, Section 79550(g)  
**Term:** July 1, 2004 to June 30, 2005  
**Total Amount:** \$42,000,000 appropriated but uncommitted to projects

### **List of Attachments**

Attachment 1 -- Water Recycling Funding Program Competitive Project List, adopted January 20, 2005  
Resolution 05-02-02

### **Contact**

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State Water Resources Control Board

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California State Water Resources Control Board  
 Water Recycling Funding Program Competitive Project List (CPL)<sup>1</sup>  
 Exhibit B

CPL Adopted 1-20-05

PIN	Agency	Project Name	County	Project Cost	
				(\$Million)	Category <sup>2</sup>
3274	Calaveras County Water District*	Copper Cove Water Recycling Project	Calaveras	3.20	1
2378	Central Basin Municipal Water District	Montebello Loop, Phase I	Los Angeles	11.00	1
3122	City of American Canyon	American Canyon Recycled Water Program	Napa	14.05	1
2704	City of Benicia	City of Benicia Water Reuse Project	Solano	15.00	1
2864	City of Chino Hills	High Zone Recycled Water System	San Bernardino	3.50	1
3156	City of Ontario	Milliken Avenue Recycled Water Pipeline - RW 1	San Bernardino	0.52	1
3226	City of Ontario	Guasti Park Recycled Water Pipeline - RW 3	San Bernardino	0.44	1
3236	City of Ontario	Philadelphia Street Recycled Water Pipeline - RW 4	San Bernardino	0.41	1
3316	City of Ontario	Wineville Avenue Local Recycled Water Lines - RW 2	San Bernardino	0.36	1
3136	City of Palo Alto	Mountain View/Moffett Area Water Recycling Facility Project	Santa Clara	16.79	1
2398	City of Redlands	City of Redlands Recycled Water Transmission Main Extension	San Bernardino	1.70	1
3390	City of Redwood City	Redwood City Recycled Water Project	San Mateo	84.00	1
3324	City of Riverside	City of Riverside Recycled Water Agricultural Program	Riverside	25.00	1
2556	City of San Diego*	South Bay Water Reclamation Plant Piping, Storage and Pump Station	San Diego	3.50	1
2656	City of San Diego*	North City Reclamation System, Phase II - Black Mountain Ranch	San Diego	17.60	1
3398	City of San Jose*	South Bay Water Recycling Zone 3 System Improvements	Santa Clara	15.00	1
3222	City of San Leandro	City of San Leandro Recycled Water Project	Alameda	3.76	1
2636	City of Santa Maria	City of Santa Maria Water Recycling Project	Santa Barbara	10.00	1
2896	City of Willows	City of Willows Wastewater Treatment Plant Improvements	Glenn	6.30	1
2874	Cucamonga Valley Water District	Satellite Wastewater Treatment Plant - Central Park	San Bernardino	22.50	1
2878	Cucamonga Valley Water District	Satellite Wastewater Treatment Plant - Red Hill Park	San Bernardino	17.50	1
2956	Cucamonga Valley Water District	Recycled Water Distribution Facilities - Zone 1 - 4th Street to I-10 Freeway	San Bernardino	0.36	1
2958	Cucamonga Valley Water District	Recycled Water Distribution Facilities - Zone 1 - Milliken Avenue to Rochester Avenue	San Bernardino	1.40	1
2962	Cucamonga Valley Water District	Recycled Water Distribution Facilities - Zone 1 - Milliken Avenue to Haven Avenue	San Bernardino	1.30	1
2978	Cucamonga Valley Water District	Recycled Water Distribution Facilities - Zone 1 - Haven Avenue to Archibald Avenue	San Bernardino	1.10	1
2980	Cucamonga Valley Water District	Recycled Water Distribution Facilities - Zone 1 - I-15 to Etiwanda Avenue	San Bernardino	1.05	1
2764	Delta Diablo Sanitation District	Pittsburg Golf Course and Urban Landscape Recycled Water Project	Contra Costa	4.60	1
3320	Delta Diablo Sanitation District	Highway 4 Landscape Recycled Water Project	Contra Costa	2.00	1
3328	Delta Diablo Sanitation District	City of Antioch Urban Landscape Recycled Water Project	Contra Costa	7.00	1
3234	East Bay Municipal Utility District	Camanche South Shore Recycling Project	Calaveras	3.50	1
3296	East Bay Municipal Utility District	EBMUD/ChevronTexaco Richmond Advanced Recycled Expansion (RARE) Water Project	Contra Costa	40.00	1
3298	East Bay Municipal Utility District	Satellite Recycled Water Treatment Plant Project	Alameda	0.73	1
3300	East Bay Municipal Utility District	San Ramon Valley Recycled Water Program Phase 2	Alameda	22.00	1
3304	East Bay Municipal Utility District	East Bayshore Recycled Water Project Phase 1B	Alameda	23.00	1
2680	Eastern Municipal Water District	Temecula Valley Effluent Pipeline	Riverside	32.00	1
3240	Eastern Municipal Water District	Eastern Municipal Water District Recycled Water System Pressurization and Expansion	Riverside	15.40	1
3342	El Toro Water District	ETWD/MNWD Joint Recycled Water Treatment and Distribution System Project	Orange	31.25	1
3408	El Toro Water District	ETWD, IRWD and MNWD Recycled Water Project	Orange	11.90	1
2944	Elsinore Valley Municipal Water District*	Canyon Hills Recycled Water Project	Riverside	2.54	1
3230	Elsinore Valley Municipal Water District*	Elsinore Valley Municipal Water District Wildomar Recycled Water Project	Riverside	16.20	1
1830	Inland Empire Utilities Agency	Regional Recycled Water Distribution System Phase - 2	San Bernardino	40.00	1
2336	Irvine Ranch Water District*	Recycled Water Distribution System Expansion	Orange	4.351	1

<sup>1</sup>CPL placement is not a commitment to fund

<sup>2</sup>Category placement is based on applicant submittals and is subject to change pending complete review

\*As of 12/1/04 Water Rights fees are not paid

California State Water Resources Control Board  
 Water Recycling Funding Program Competitive Project List (CPL)<sup>1</sup>  
 Exhibit B

CPL Adopted 1-20-05

PIN	Agency	Project Name	County	Project Cost (\$Million)	Category <sup>2</sup>
3038	Irvine Ranch Water District*	Recycled Water Supply Expansion Project	Orange	33.00	1
2086	Lake County Sanitation District	Full Circle	Lake County	8.40	1
3040	Las Virgenes Municipal Water District	Restoration of Native Flows in Malibu Creek - Decker Canyon Recycled Water Facilities	Los Angeles	6.50	1
2946	Long Beach, City of, Board of Water Commissioners	Long Beach Recycled Water System Expansion Phase 2	Long Angeles	13.59	1
3016	Long Beach, City of, Board of Water Commissioners	Long Beach Recycled Water System Expansion Phase 3	Los Angeles	4.313	1
3184	Long Beach, City of, Board of Water Commissioners	Long Beach Recycled Water System Expansion Phase 4A	Los Angeles	15.60	1
3378	Long Beach, City of, Board of Water Commissioners	Long Beach Recycled Water System Expansion Phase 4B	Los Angeles	17.54	1
2150	Los Angeles Department of Water and Power*	Hansen Area Water Recycling Project - Phase I	Los Angeles	9.10	1
2960	Los Angeles Department of Water and Power*	Hansen Area Water Recycling Project - Phase 2	Los Angeles	6.20	1
2964	Los Angeles Department of Water and Power*	South Valley Water Recycling Facilities Project	Los Angeles	20.00	1
2856	Napa Sanitation District	Napa State Hospital Recycled Water Pipeline	Napa	17.10	1
2860	Napa Sanitation District	Stanley Ranch/South Los Carneros Recycled Water Pipeline	Napa	12.10	1
3360	North Coast County Water District	Pacifica Water Recycling Project	San Mateo	5.50	1
3376	Olivenhain Municipal Water District*	Northwest Quadrant Recycled Water Program	San Diego	4.00	1
3384	Orange County Sanitation District	Activated Sludge Rehabilitation Project (P1-82)	Orange	40.00	1
3400	Orange County Sanitation District	Rehabilitation of Activated Sludge Facilities for Secondary Treatment Upgrades(P2-74)	Orange	12.91	1
2008	Otay Water District	Recycled Water 30-Inch Transmission Main, 450-1 Reservoir, and 680-1 Pump Station	San Diego	30.00	1
2162	Pajaro Valley Water Management Agency*	Watsonville Area Water Recycling Project (WAWRP)	Santa Cruz	47.30	1
3210	Rancho California Water District	Phase II Recycled Water Project for Agricultural Areas	Riverside	5.00	1
3198	San Bernardino County Special Districts	Huston Creek Recycling Project	San Bernardino	7.00	1
3336	San Bernardino County Special Districts	Lytle Creek North Recycling Facilities	San Bernardino	2.90	1
2916	San Juan Capistrano	Recycled Water Distribution System	Orange	30.00	1
3276	San Timoteo Watershed Management Agency	Recycled Water Facilities Phase I	Riverside	36.00	1
3120	Santa Clara Valley Water District*	South Santa Clara County Recycled Water Service Expansion	Santa Clara	7.40	1
2406	Santa Margarita Water District	RW Program Expansion Group 3 Facilities	Orange	8.56	1
2812	Santa Margarita Water District	Oso WRP Capacity and Service Area Improvements	Orange	3.10	1
2876	Santa Margarita Water District	Chiquita WRP Phase IV Expansion	Orange	17.40	1
2880	Santa Margarita Water District	Seasonal Recycled Water Storage Reservoir	Orange	24.60	1
2888	Santa Margarita Water District	Ortega/Chiquita Canyon Phase 1 RWDS Expansion	Orange	23.70	1
2778	Saticoy Sanitary District	Saticoy Regional Recharge Project	Ventura	7.60	1
3352	Sonoma County Water Agency	North San Pablo Bay Restoration and Reuse Project	Marin	250.00	1
3268	Triunfo Sanitation District	Calleguas & Malibu Creeks Regional Recharge Project	Ventura	30.00	1
2434	Upper San Gabriel Valley Municipal Water District	San Gabriel Valley Water Recycling Project - Phase IIA	Los Angeles	7.22	1
3060	Victor Valley Wastewater Reclamation Authority	Green Tree Subregional Reclamation Facility	San Bernardino	22.50	1
3096	Victor Valley Wastewater Reclamation Authority	Apple Valley Subregional Reclamation Facility	San Bernardino	22.50	1
3098	Victor Valley Wastewater Reclamation Authority	Upper Narrows Subregional Reclamation Facility	San Bernardino	29.80	1
3330	Victor Valley Wastewater Reclamation Authority	Hesperia Subregional Reclamation Facility	San Bernardino	22.50	1
3382	Walnut Valley Water District	North Side Line Replacement	Los Angeles	3.40	1
3402	Walnut Valley Water District	WVWD Recycled Water Reservoir and Pump Station	Los Angeles	1.50	1
2090	West Basin Municipal Water District	Madrona/ Palos Verdes Lateral	Los Angeles	27.56	1

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3036	Western Municipal Water District	Tertiary Upgrade and Nonpotable Connection for March WWRF	Riverside	2.04	1
3204	Western Municipal Water District	Nonpotable Pipeline to Meridian Business Center	Riverside	0.17	1
3208	Western Municipal Water District	Nonpotable Pipeline to Martin Luther King High School	Riverside	0.37	1
2702	Yucaipa Valley Water District	Non-Potable Water Infrastructure Project	San Bernardino	22.00	1
<b>Sub Total</b>					
<b>Category 1</b>				<b>1451.74</b>	
1850	City of Crescent City	Crescent City Wastewater Treatment Plant Upgrade	Del Norte	20.00	2
3394	City of Fillmore	Park Irrigation	Ventura	26.00	2
2998	City of Healdsburg*	Wastewater Treatment Plant Upgrade Project	Sonoma	25.00	2
3278	City of Petaluma	Phase II Recycled Water Program	Sonoma	10.23	2
3260	North Marin Water District*	NMWD Water Recycling Project - Phase 1	Marin	4.00	2
3326	North Marin Water District*	NMWD Recycled Water Project - Phase 2	Marin	3.00	2
3348	Sonoma County Water Agency	Sonoma Valley Recycled Water Project	Sonoma	35.00	2
3350	Sonoma County Water Agency	North Sonoma County Agricultural Reuse Project	Sonoma	250.00	2
<b>Sub Total</b>					
<b>Category 2</b>				<b>373.23</b>	
2696	El Dorado Irrigation District*	El Dorado Hills Seasonal Storage Reservoir	El Dorado	36.00	3
2698	El Dorado Irrigation District*	Deer Creek Seasonal Storage Reservoir	El Dorado	36.00	3
3138	El Dorado Irrigation District*	EDHWWTP Recycled Water Upgrades	El Dorado	16.70	3
3180	El Dorado Irrigation District*	Deer Creek Pipeline to El Dorado Hills	El Dorado	7.00	3
3200	Graton Community Services District	Graton Zero Discharge Project	Sonoma	3.00	3
2518	Lake Arrowhead Community Services District	Recycled Water System Phase I	San Bernardino	10.00	3
3202	Ramona Municipal Water District	Santa Maria Spray Fields	San Diego	3.50	3
2716	Sacramento Regional County Sanitation District	SRCS-D-SCWA-TNC Water Recycling Facilities	Sacramento	51.05	3
3242	San Bernardino County Special Districts	Helendale Water Recycling Project	San Bernardino	1.25	3
2496	Tomales Village CSD	Tertiary Treatment and Recycling Project	Marin	0.36	3
<b>Sub Total</b>					
<b>Category 3</b>				<b>164.86</b>	
3380	West Valley Water District	Aquifer Supply Reclamation Project, Phase II	San Bernardino	1.49	4
3406	City of Galt	City of Galt WWTP Reclamation System Expansion	Sacramento	0.30	5
3262	River Pines Public Utility District	River Pines Water Re-use	Amador	0.24	6
<b>Total All Categories</b>				<b>1991.86</b>	

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Agenda Item: 9-11A

Meeting Dates: February 9 and 10, 2005

**CALIFORNIA BAY-DELTA AUTHORITY  
RESOLUTION 05-02-02**

**CONCURRING WITH THE STATE WATER RESOURCES CONTROL BOARD'S  
ADOPTION OF WATER RECYCLING FUNDING  
PROGRAM COMPETITIVE PROJECT LIST**

**WHEREAS**, water recycling has been found to be an effective measure to augment the State's water supply and control water pollution; and

**WHEREAS**, water recycling in certain areas of the CALFED Bay-Delta Program solution area can reduce withdrawals from the Delta or increase the average water flows into the Delta; and

**WHEREAS**, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) was adopted by the voters in November 2002 and authorized funding for implementation of the CALFED Bay-Delta Program, including funding for water recycling projects; and

**WHEREAS**, the State Water Resources Control Board is using Proposition 50 funds to augment its Water Recycling Construction Program for grants to public agencies and privately owned water utilities regulated by the Public Utilities Commission for design and construction of water recycling projects; and

**WHEREAS**, the Authority adopted a resolution at its October 13 and 14, 2004 meeting, recommending that the State Water Resources Control Board proceed with the adoption of draft water recycling funds program guidelines, and development of a draft competitive project list; and

**WHEREAS**, the State Water Resources Control Board adopted guidelines for the administration of Chapter 7 Proposition 50 and other funds for its water recycling program, providing for development of a competitive project list of potential water recycling projects and review and approval of funding applications; and

**WHEREAS**, the State Water Resources Control Board has accepted questionnaires for potential projects for placement on the Competitive Project List (CPL) and adopted the CPL at its Board Meeting on January 20, 2005; and

**WHEREAS**, Authority staff has reviewed the CPL for consistency with the CALFED Bay-Delta Program.

**NOW, THEREFORE, BE IT RESOLVED** that the Authority concurs with the State Water Resources Control Board's adoption of the Water Recycling Funding Program Competitive Project List.

**CERTIFICATION** The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Bay-Delta Authority held on February 9 and 10, 2005.

**Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Jamie Cameron-Harley**  
**Assistant to the California Bay-Delta Authority**