



North Bay Water Reuse Authority

Las Gallinas Valley Sanitary District | Napa County | Napa Sanitation District | North Marin Water District
Novato Sanitary District | Sonoma County Water Agency | Sonoma Valley County Sanitation District

BOARD OF DIRECTORS MEETING

AGENDA – PHASE 2

Monday, August 15, 2011
9:30 A.M. (Immediately Following Phase 1 Meeting)

Novato Sanitary District
500 Davidson Street
Novato, CA 94945

- 1. Call to Order**
- 2. Roll Call**
- 3. Public Comment**
(Any member of the public may address the Board at the commencement of the meeting on any matter within the jurisdiction of the Board. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Board limit their presentation to three minutes. Any member of the public desiring to provide comments to the Board on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)
- 4. Introductions**
- Information** **5. Report from the Program Manager**
Pages 3 - 5 **5.a Consultant Progress Reports**
(The Board will review the Report from the Program Manager and Consultant Progress Reports.)
- Information** **6. Phase 2 – Project Definition Status Report**
Pages 6 - 19 (The Board will review the Status of the Phase 2 Project Definition.)
- Information** **7. Federal and State Legislation and Funding Overview**
Pages 20 - 48 (The Board will review Federal and State Legislation and Funding.)
- 8. Adjournment**

Next Board Meeting
Monday, November 14, 2011, 9:30 A. M.

(In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a Board meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Program Manager at (510) 410-5923. Notification of at least 48 hours prior to the meeting or time when services are needed will assist in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.)

(A copy of all the documents constituting the agenda packet is available for public inspection prior to the meeting at 500 Davidson Street, Novato, CA 94945. Any person may request that a copy of the agenda or the agenda packet be mailed to them for a fee of \$.10 per page plus actual mailing costs. If you wish to request such a mailing, please contact Chuck Weir, RMC, 2001 N. Main Street, Suite 400, Walnut Creek, CA 94596, 510-410-5923, cweir@rmcwater.com. The agenda and the agenda packet for each meeting are also available on-line at www.nbwra.com and will be available at the meeting.)

Page 1

Agenda Explanation
North Bay Water Reuse Authority
Board of Directors
August 15, 2011

ITEM NO. 5 REPORT FROM THE PROGRAM MANAGER

The July 2011 Report from the Program Manager includes the following items:

Item No. 5.a Consultant Progress Reports for July 2011

Note that only those consultants that have budget for Phase 2 have reports. The Report from Bryant & Associates is included in Agenda Item No. 7.

Minutes for Phase 2 meetings will begin with this meeting.

As noted for Phase 1, quarterly financial reports will begin in November 2011.

Program Management Services for North Bay Water Reuse Authority Phase 2
RMC Water and Environment
Sonoma County Water Agency Order Number 7533A5 - Account Number 391029-6570

Phase 2 Progress Report

July 2011

Task 2.1 Board of Directors and Technical Advisory Committee (TAC) Meeting Management

- Prepared Agenda Packet for July 18, 2011 Technical Advisory Committee (TAC) meeting.
- Attended July 18, 2011 TAC meeting at Novato Sanitary District.
- Drafted minutes for July 18, 2011 TAC meeting. Transmitted to TAC for review and comment.
- Prepared list of short-term action items discussed at the July 18, 2011 TAC meeting. Transmitted action items to meeting attendees.
- Updated contact and distribution lists to include new Phase 2 participants Marin County, City of Petaluma, City of American Canyon, City of Sonoma, and Valley of the Moon Water District.

Task 2.2 Budget Preparation and Reporting

- No work was conducted on this task during the period.

Task 2.3 Project Support and Review

- No work was conducted on this task during the period.

Task 2.4 Program Planning

- Reviewed insurance documents and modifications to consultant agreement with Agency.
- Set up format for Progress Reports and invoices for FY2011/12 per new consultant agreement with Agency.
- Prepared July 2011 Progress Report and July 2011 Invoice.

Task 2.5 Governance Issues

- No work was conducted on this task during the period.

North Bay Water Reuse Authority
Professional Services by CDM

July 2011 Progress Report - Phase 2 Activities

Membership and Outreach Study

- Finalized report summarizing activities and progress.
- Project management activities.

Project Definition Study

- Developed project workplan and schedule.
- Reviewed steps of the conceptual analysis and held project team conference call.
- Submitted data request to existing NBWRA agencies and contacted some of the agencies.
- Held project team meeting to discuss and develop approach for Phase 1 buy-in charge; developed outline for buy-in memo.
- Developed TAC meeting input and data requests.
- Developed Board meeting materials for August 15th meeting.
- Project management activities.

Page 1

Agenda Explanation
North Bay Water Reuse Authority
Board of Directors
August 15, 2011

ITEM NO. 6 PHASE 2 PROJECT DEFINITION STATUS REPORT

Action Requested: None at this time.

Please refer to the attached PowerPoint presentation which will be presented at the Board meeting by representatives from Bryant & Associates and CDM.

Recommendation

None at this time.



North Bay Water Reuse Program

Phase 2 Scoping Studies

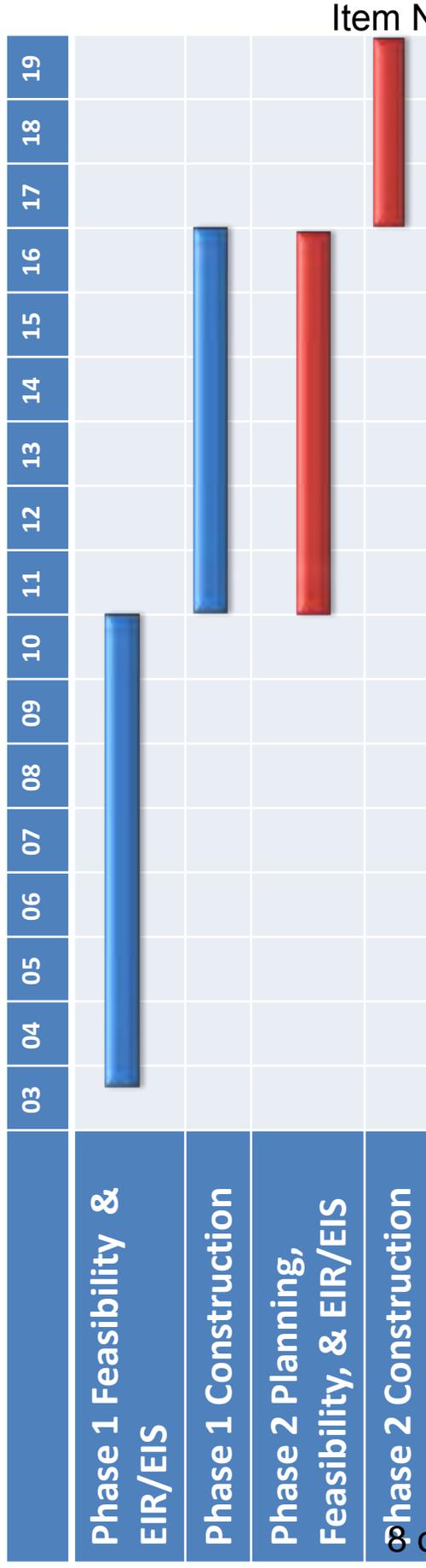
Project Definition Study

Presentation to NBWRA Board of Directors

August 15, 2011

Phase 2 Planning Horizon

- Timeline to complete studies below
- Timing can be critical to continued success
- Show readiness to proceed for Federal construction funding



Phase 2 Studies

Phase 2 Scoping Studies

Phase 2 Feasibility Studies

Membership & Outreach

Project Definition

User Needs & Storage

Develop Alternatives

Feasibility Study

Financial Evaluation

Environmental Evaluation

Go/Stop Decision

Go/Stop Decision

Go/Stop Decision



Who are the Agencies Proceeding with Phase 2

What is the Scope of Work and Budget to Complete Phase 2

Define Users & Storage Needs

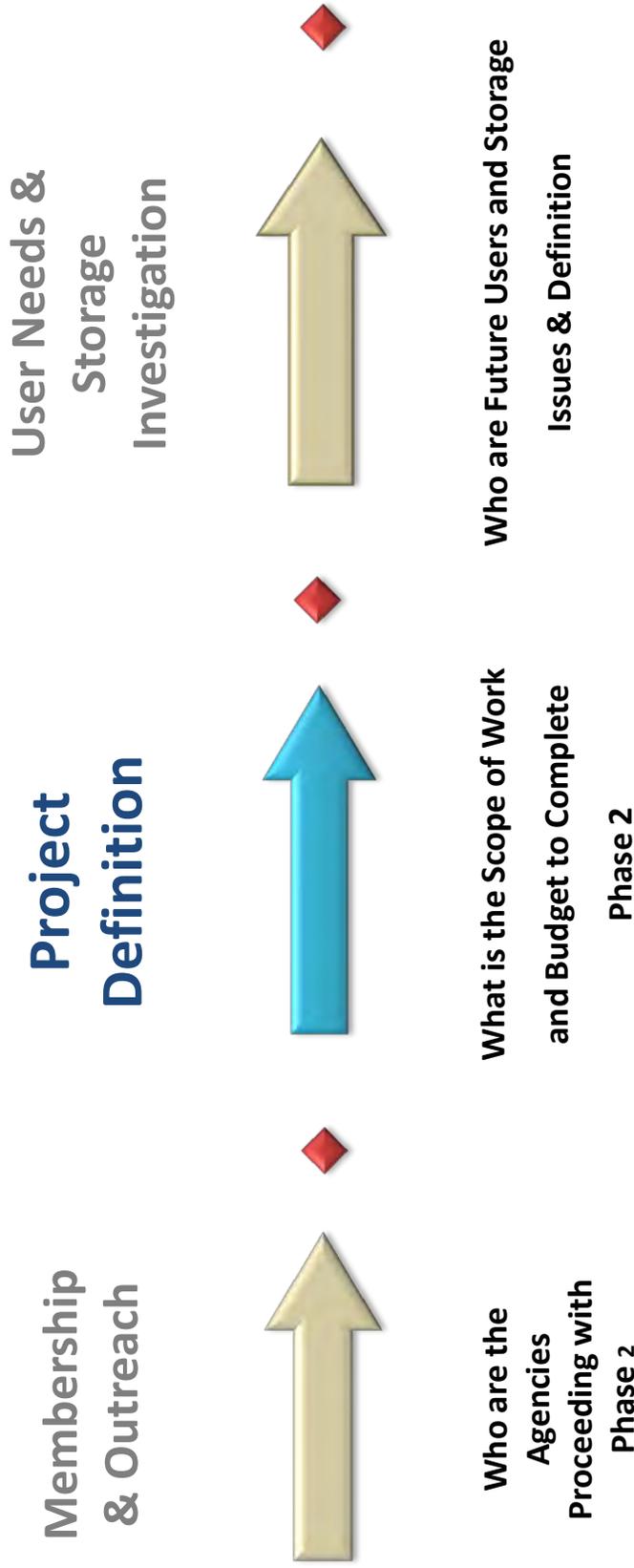
What are the Alternatives & How do They Rank

Define the Selected Alternative, Feasibility Level Design, and Layouts, and Costs

How will Agencies Meet Financial Demands

How are Impacts Addressed and Mitigated

Phase 2 Scoping Studies



Project Definition Tasks

1. Conceptual Level Operational Analysis:

Monthly operations analysis to determine seasonal storage and needs for integration with Phase 1 facilities and general points of delivery.

2. Preliminary Identification of Program and Costs for Design and Construction:

Layouts of storage, conveyance, and distribution facilities sufficient to determine the cost range of a potential Phase 2.

Project Definition Tasks

3. Phase 1 Program Valuation:

Approaches to determine value of Phase 1 Program and potential costs of joining NBWRP for Phase 2 studies and implementation.

4. Review of Members' Ability to Meet Non-Federal Cost Share:

Preliminary assessment of participating agencies' capacity to fund local cost-share for construction projects.

Project Definition Tasks

5. Conceptual Level Project Benefits:

Investigation of NBWRP's regional benefits, including qualitative discussions of:

- Water and energy benefits
- Environmental and habitat benefits

6. Scope of Work for Full Phase 2 Feasibility, Economic, and Environmental Studies

7. Project Definition Report and Presentations

Initial Study Tasks: July to November 2011

Initial tasks that need information from the participating agencies and require an early start:

- Task 1: Conceptual Level Operations Analysis
- Task 3: Phase 1 Program Conceptual Valuation

Task 1: Conceptual Level

Operations Analysis

Includes data requests of the agencies.

- Phase 1 used and made projections from 2002 flow data
 - Now lower flow projections due to housing impacts, and I&I and water conservation programs
- Update existing member agency data & collect data from new participants

Task 3: Phase 1 Conceptual Valuation – Buy-in Charges for New Participants

TAC subcommittee to work with the consulting team to:

- recommend an approach
- discuss the benefits, value, and options
- provide a draft valuation to the Board for consideration

Study Outcomes and Next Steps



Phase 2 Scoping Studies

Membership & Outreach

\$59,100 - FY 10/11
 •Federal \$29,600
 •NBWRA \$29,600



Project Definition

\$166,500 - FY 11/12
 •Federal \$83,250
 •NBWRA \$83,250



Storage Investigation

Est. Cost \$450,000 - FY 12/13
 •Cost shared USBR/NBWRA



- Agency Workshops
- Agency Goals
- Preliminary Identification of Members and Projects
- Organizational Issues
- Membership Memorandum
- Conceptual Operations
- Prelim Program & Costs
- Phase 1 Program Valuation
- Financial Capability Review
- Conceptual Benefits
- Feasibility Workplan
- Project Definition Report
- Supply & Demand
- Conceptual Operations Analysis
- Identify New Pond Sites
- Geotechnical for Ponds
- Layout & 10% Design
- Storage Report

Page 1

Agenda Explanation
North Bay Water Reuse Authority
Board of Directors
August 15, 2011

ITEM NO. 7 FEDERAL AND STATE LEGISLATION AND FUNDING OVERVIEW

Action Requested: None at this time.

Please refer to the attached report from Ginger Bryant, Bryant & Associates, which includes additional discussion items noted in the report.

In addition, separate PowerPoint presentations, copies attached, will be presented on Federal and State Legislation and Funding. The presentations will be given by Ginger Bryant and Pilar Oñate Quintana, KP Public Affairs.

Recommendation

None at this time.



Date: August 15, 2011
To: North Bay Water Reuse Authority Members
From: Ginger Bryant, Bryant & Associates
Re: NBWRP Phase 2 – August 2011 Program Development

Activities performed in support of Phase 2 of the Program

- Developed materials and continued efforts in support of regional-scale Title XVI grant funding for scoping and feasibility studies exceeding current grant limits of \$150,000 dollars – see attached white paper and cost schedule
- Coordinated with TFG and Commissioner Connor’s office on scheduling the fall tour – see attached invitation letter
- Coordinated with TFG on language for Sen. Feinstein’s consideration and possible inclusion in the Energy & Water Conference report encouraging Reclamation to create regional-scale grant opportunities
- Coordinated with TFG on DRAFT language for WRDA bill to amend sec 5053 for future project construction options – see attached draft language

Next Steps for Phase 2 Program Development

- Continue efforts to develop USBR funding programs
- Continue efforts to have sec 5053 included in the WRDA bill
- Schedule meetings with Congressional District offices during the August recess in support of regional-scale funding opportunities and the WRDA language request

Project Definition Study

- Began initial activities on Conceptual Level Operational Analysis and Phase 1 Valuation tasks

NORTH BAY WATER REUSE PROGRAM SCHEDULE & CASH FLOW ESTIMATE

		Projected Cash Flow										
Project	Agencies	Total Phase 1 Costs	Federal FY 2010	Federal FY 2011	Federal FY 2012	Federal FY 2013	Federal FY 2014	Federal FY 2015	Federal FY 2016	Federal FY 2017	Federal FY 2018	Federal FY 2019
Hamilton Field/Novato South	LGVSD & NMWD	\$11,142,000	\$146,000	\$1,108,000	\$7,174,000	\$2,715,000	\$0	\$0	\$0	\$0	\$0	\$0
Novato North	Novato SD & NIMWD	\$10,550,000	\$464,000	\$3,030,000	\$7,056,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Novato Central	Novato SD & NIMWD	\$13,181,000	\$0	\$0	\$0	\$0	\$0	\$0	\$166,000	\$994,000	\$8,322,000	\$3,699,000
SV Recycled Water Project	SVCSD	\$11,006,000	\$430,000	\$3,072,000	\$6,447,000	\$1,057,000	\$0	\$0	\$0	\$0	\$0	\$0
Napa Sonoma Salt Marsh Pipeline	SVCSD	\$20,925,000	\$0	\$1,381,000	\$13,183,000	\$6,361,000	\$0	\$0	\$0	\$0	\$0	\$0
IMST	Napa SD	\$34,699,000	\$0	\$1,388,000	\$4,609,000	\$8,831,000	\$8,831,000	\$8,831,000	\$2,208,000	\$0	\$0	\$0
Napa State Hospital Pipeline	Napa SD	\$3,139,000	\$0	\$1,962,000	\$1,177,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL		\$104,642,000	\$1,040,000	\$11,941,000	\$39,646,000	\$18,964,000	\$8,831,000	\$8,831,000	\$2,374,000	\$994,000	\$8,322,000	\$3,699,000

		Federal FY 2010	Federal FY 2011	Federal FY 2012	Federal FY 2013	Federal FY 2014	Federal FY 2015	Federal FY 2016	Federal FY 2017	Federal FY 2018	Federal FY 2019
Federal Share											
Recovery Act	FY 2010-2012	\$255,000	\$831,000	\$6,242,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WaterSMART Construction Grant	FY 2012-2013	\$0	\$0	\$646,000	\$646,000	\$0	\$0	\$0	\$0	\$0	\$0
Remaining Federal Need		\$0	\$2,022,000	\$2,584,000	\$3,885,000	\$2,110,000	\$2,110,000	\$567,000	\$237,000	\$1,988,000	\$884,000
Total		\$255,000	\$2,853,000	\$9,472,000	\$4,531,000	\$2,110,000	\$2,110,000	\$567,000	\$237,000	\$1,988,000	\$884,000
Local Share		\$79,642,000	\$9,088,000	\$30,174,000	\$14,433,000	\$6,721,000	\$6,721,000	\$1,807,000	\$757,000	\$6,334,000	\$2,815,000

DISCUSSION DRAFT

The Opportunity:

To develop a regional-scale, grant program within US Bureau of Reclamation's WaterSMART Title XVI Feasibility Study and Construction Grants Programs.

The Need:

Increasingly water managers are relying on recycled water to assist in providing reliable, sustainable water supplies for urban, environmental and agricultural uses.

Throughout the west, surface and groundwater sources are stretched beyond sustainable levels and must meet competing and complex demands that include regulatory, economic, and environmental uses. Often, the only new supply available is recycled water and even then, the demands on this resource far exceed what can be met by a single-facility or small-scale water recycling project.

This is where Reclamation's expertise in water resource management is particularly important. The development and use of recycled water on a regional-scale can contribute significantly to water supply reliability throughout the west. Understanding of the value of the resource is endemic to Reclamation's culture and it is this perspective that allows recycled water to move beyond single agency urban reuse projects to broad, diverse regional applications where multiple demands on water resources can be met.

Reclamation's Title XVI Program plays an increasingly important role in contributing toward regional water supply reliability by providing technical and financial assistance to local sponsors in planning for and developing this vital new supply.

Most Title XVI projects are small-scale and have a total project cost less than \$80,000,000 and a Federal cost-share less than \$20,000,000. Many of the large-scale projects now being considered and designed have a total project cost in excess of \$150,000,000. Because these large projects could out-compete the smaller projects for Federal funding, there is a need to internally separate projects based on their scale.

Benefits of a Regional Approach to Planning and Construction:

Regional-scale planning and implementation is where the benefits of water reuse accrue on multiple levels.

This approach allows partners to collaborate, identify and integrate diverse needs into water reuse programs. It allows for leveraging of non-Federal funding sources to provide local cost-share and local entities to realize benefits that would be out of their reach without regional collaboration.

It also allows many projects to be included into larger programs that when implemented over time, increase both program yield and community benefits while maximizing the value of the Federal dollar invested.

Current Title XVI WaterSMART Grant Program Constraints:

The two existing Title XVI WaterSMART grant programs, feasibility studies and construction, are primarily directed toward assisting single agency or project planning and implementation.

The timeframe and grant amount for completion of project feasibility studies, currently 12-months and \$150,000, is not adequate to support the development and completion of a regional feasibility study and report.

The same situation applies to the construction grant program that has a maximum grant amount of \$2,000,000 and a 24-month completion timeframe. With regional approaches, project construction costs will exceed these amounts and timeframes simply due to scale.

Both of the existing grant programs provide great opportunity for single agency, small-scale applications but fall short of meeting regional-scale planning and construction needs.

The Proposal:

Within Reclamation's Mid-pacific region are three regional, large-scale water reuse programs. Two of these programs have construction authorizations and plan to continue with additional feasibility planning and project implementation, while the third program is starting the feasibility study process.

These three entities are seeking to develop as part of the suite of WaterSMART assistance programs, new grant funding opportunities specifically for regional-scale Title XVI programs.

We are requesting that the initial feasibility study grant program be funded with a capacity of \$7,500,000 and a maximum grant of \$2,500,000 per study over a 5-year planning timeframe. This would provide regional programs the time and resources needed to produce comprehensive feasibility reports.

We are also requesting that the initial construction grants program be funded with a capacity of \$30,000,000 which would provide for a maximum grant of \$15,000,000 to be implemented within a 5-year timeframe.

These amounts and timeframes also allow the non-federal sponsors to undertake the financial planning required to meet their obligations in providing local cost-share for feasibility studies and construction financing.

Finally, we understand and support Reclamation's significant investment in establishing the WaterSMART program and understand that accountability and return for the Federal dollar invested are paramount.

Indeed, the potential output from these three programs could show a significant return on the Federal investment as the combined yield is estimated at over 70,000 acre-feet of new recycled water supplies to meet urban, agricultural and environmental needs.

In proposing these regional-scale grant programs, we can further demonstrate the applicability of WaterSMART's Title XVI programs throughout the west. And if funded, it is our intention to demonstrate that regional-scale reuse programs can contribute and build on the integrity and accountability of the existing WaterSMART programs.



North Bay Water Reuse Authority

Las Gallinas Valley Sanitary District | Napa County | Napa Sanitation District | North Marin Water District
Novato Sanitary District | Sonoma County Water Agency | Sonoma Valley County Sanitation District

August 5, 2011

The Honorable Mike Connor
Commissioner, Bureau of Reclamation
Department of the Interior
1849 C Street, NW, Room 7657
Washington, D.C. 20240

Dear Commissioner Connor:

On behalf of the North Bay Water Reuse Authority, I would like to once again, extend a sincere invitation to have you join us for a tour of the North Bay Water Reuse Program.

Over the last several years you have seen us progress through Title XVI planning studies, securing a construction authorization and now, into project implementation. Thanks to the strong financial assistance we received from ARRA and WaterSMART grants, we now have seven projects under construction across California's Marin, Sonoma and Napa Counties.

The Authority partners have provided the non-federal dollars to match the \$8,619,000 in federal assistance and as a result, we now have \$34,476,000 in recycled water projects under construction. These public works projects are not only providing well-paying jobs, but are also significantly contributing to long-term water supply reliability across the North Bay region.

Ideally, we would ask you to come and tour the Program area during the month of October. Not only is the region particularly scenic this time of year, but we will also have a few of our projects nearing completion at this time. The tour will take a full day and we would like to suggest Friday October 14, 21 or 28 as ideal dates to consider. Of course, we are flexible and provide these dates only as a starting point for your scheduling.

If you have any questions or need additional information please contact our Program Development consultant, Ginger Bryant at (916) 442-5877 or vsbryant@sbcglobal.net or our Washington DC representatives at The Ferguson Group, Mark Limbaugh (202) 286-8887 or mlimbaugh@tfgnet.com or Roger Gwinn (202) 261-6006 or rgwinn@tfgnet.com.

Thank you once again for your support of the North Bay Water Reuse Program. It has allowed a dynamic and sustainable approach to water reuse to take hold in northern California and we genuinely look forward to showing you the outcomes from your support.

Best Regards,

Bill Long, Chair
North Bay Water Reuse Authority

SEC. 5053. SAN PABLO BAY, CALIFORNIA, WATERSHED AND SUISUN MARSH ECOSYSTEM RESTORATION.

(a) SAN PABLO BAY WATERSHED, CALIFORNIA.

(1) IN GENERAL.—The Secretary shall complete work, as expeditiously as possible, on the ongoing San Pablo Bay watershed, California, study to determine the feasibility of opportunities for restoring, preserving, and protecting the San Pablo Bay watershed.

(2) REPORT.—Not later than March 31, 2008, the Secretary shall submit to Congress a report on the results of the study.

(b) SUISUN MARSH, CALIFORNIA.—The Secretary shall conduct a comprehensive study to determine the feasibility of opportunities for restoring, preserving, and protecting the Suisun Marsh, California.

(c) SAN PABLO AND SUISUN BAY MARSH WATERSHED CRITICAL RESTORATION PROJECTS.—

(1) IN GENERAL.—The Secretary may participate in critical restoration projects that will produce, consistent with Federal programs, projects, and activities, immediate and substantial ecosystem restoration, preservation, and protection benefits in the following sub-watersheds of the San Pablo and Suisun Bay Marsh watersheds:

- (A) The tidal areas of the Petaluma River, Napa-Sonoma Marsh.
- (B) The shoreline of West Contra Costa County.
- (C) Novato Creek.
- (D) Suisun Marsh.
- (E) Gallinas-Miller Creek.

(2) TYPES OF ASSISTANCE.—Participation in critical restoration projects under this subsection may include assistance for planning, design, or construction.

(d) JOINT FEDERAL PROJECTS AT SAN PABLO BAY.—

(1) IN GENERAL.—The Secretary is authorized to carry out projects that will, substantially in accordance with the approved Bureau of Reclamation report, dated xxxx xx, 20xx, store recycled water and restore, preserve or protect fish and wildlife (wetland and riparian?) habitat in the San Pablo Bay watershed.

(2) CRITICAL PROJECTS AND INITIATIVES.—If the Secretary, in cooperation with Commissioner of the Bureau of Reclamation, determines that a project or initiative will produce immediate and substantial benefits, the Secretary may proceed with the immediate implementation of the project or initiative.

(3) TRANSFER OF FUNDS.—

(A) IN GENERAL.—The Secretary and the Secretary of the Interior are authorized to transfer between the Department of the Army and the Department of the Interior appropriated amounts and other available funds (including funds contributed by non-Federal interests) for the purpose of planning, design, and construction of projects to store recycled water and restore, preserve, or protect the San Pablo Bay.

(B) TERMS AND CONDITIONS.—Any transfer made pursuant to this subsection shall be subject to such terms and conditions as may be agreed on by the Secretary and the Secretary of the Interior.

(e) IN-KIND SERVICES; TREATMENT OF CERTAIN FUNDS.—Section 510(d)(2) of such Act (110 Stat. 3760) is amended by adding at the end the following:

(C) IN-KIND SERVICES.—The non-Federal share of the project costs of a local cooperation agreement entered into under this section may include in-kind services.

(D) TREATMENT OF CERTAIN FUNDS.—Funds provided by a Federal department or agency other than the Corps of Engineers for a project under this section shall be treated as non-Federal funds for purposes of cost sharing requirements under this subsection.

(d) CREDIT.—In accordance with section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d

5b), the Secretary shall credit toward the non-Federal share of the cost of construction of a project under this section—

(1) the value of any lands, easements, rights-of-way, dredged material disposal areas, or relocations provided by the non-Federal interest for carrying out the project, regardless of the date of acquisition;

(2) funds received from the CALFED Bay-Delta program; and

(3) the cost of the studies, design, and construction work carried out by the non-Federal interest before the date of the partnership agreement for the project.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$40,000,000.



North Bay Water Reuse Program

Federal Program Development Funding Activities for FY 11/12

Presentation to NBWRA Board of Directors
Monday August 15, 2011

Securing Funds to Support Program Construction and Planning

- Construction Funds for Phase 1 Projects
- Planning Funds for Phase 2 Scoping and Feasibility Studies
- Construction Funds for Phase 2 Projects

Phase 1 Construction Funding

- Need to secure \$16,380,825 in grants to complete the 25% federal cost-share for Phase 1 projects
- The current cost schedules show \$15,000,000 will be needed over the next 2-3 years

Phase 1 Construction Funding

- Due to ban on direct appropriations or “earmarks”
- The only source of funds is the US Bureau of Reclamation’s WaterSMART* Grants Program
- Reclamation’s budget has tentatively received a 12.5% cut however, infrastructure construction funding remains a priority

* *WaterSMART – Sustain and Manage America’s Resource’s for Tomorrow*

Phase 1 Construction Funding

- We are working with Reclamation to develop a WaterSMART grant program that has the capacity to meet Phase 1 construction needs
- The new grant program seeks to:
 - Raise the grant ceiling and,
 - Extend the implementation timeline

Phase 2 Study Funding

- Planning studies can be cost-shared with Reclamation with 50% of the costs covered by federal grants
- Future Phase 2 studies are:
 - End-user and Storage Needs Scoping Study - estimated total cost \$450,000-500,000
 - Full Phase 2 Engineering, Economic and Environmental Studies - actual study costs will be determined as part of the Project Definition Study currently underway

Phase 2 Study Funding

(same constraints as Phase 1 construction funding)

- Ban on direct appropriations or “earmarks”
- The only source of funds is the US Bureau of Reclamation’s WaterSMART Grants Program
- Reclamation’s budget has tentatively received a 12.5% cut however, planning for water supply infrastructure remains a priority

Phase 2 Study Funding

(concurrent with Phase 1 construction funding)

- We are working with Reclamation to develop a WaterSMART grant program that has the capacity to meet Phase 2 planning needs
- The new grant program seeks to:
 - Raise the grant ceiling and,
 - Extend the study completion timeline

Phase 2 Construction Funding

- WaterSMART Grants
- Water Resources Development Act (WRDA) sec. 5053 amendment
- Proposed Water Infrastructure Finance and Innovation Act (WIFIA)

Phase 2 Construction Funding

- WRDA sec. 5053 amendment
Proposed amendment authorizing partnership with US Army Corps of Engineers and Reclamation to build facilities that provide both recycled water storage and habitat

Phase 2 Construction Funding

- WIFIA
 - Program to finance construction and capital costs through direct loans and loan guarantees
 - Would be available to fund projects from the following agencies:
 - US Environment Protection Agency
 - US Army Corps of Engineers
 - US Bureau of Reclamation
 - Projects must complete studies determining the federal interest
 - Unauthorized projects could apply for loans
 - Authorized projects could apply for loans and grants

Conclusion

- We look forward to working with you on these funding opportunities
- Questions or comments

Finding Funding in California

Opportunities in Spite of Perennial Budget Challenges

North Bay Water Reuse Program
August 15, 2011



Recycled Water

A Continuing Hot Topic in Sacramento

- A fun fact dating back to the beginning of the electronically available legislative history – during the 1993-94 legislative session, Marin/Sonoma area Assemblywoman Bronshvag authored a measure to require retail water suppliers to identify potential uses and customers for recycled water.
- Since that time, the trend of interest in recycled water has only intensified, for example:
 - The historic 2009 water package included:
 - Water conservation mandates intended to reduce California’s per capita water consumption by 20 percent by 2020. This bill provided for “credits” of recycled water toward meeting those conservation goals.
 - Dedicated funding for recycling/water conservation within the 2012 water bond.
 - This year, recycled water-related bills included a key Sacramento-area agencies’ effort to pave the way for sale of recycled water.

State Funding

NBWRP – Short-term

- Proposition 84's Integrated Regional Water Management Program Offers the Best Short-Term Grant Opportunities:
 - After a coordination meeting among NBWRP agencies last August, then participation in the (lengthy) Bay Area IRWM process, NBWRP projects are poised to receive a total \$2 million in "Round 1" funding.
 - The Department of Water Resources' final funding recommendations are expected any day now.
- Future IRWM "rounds" of funding will be important short-term sources of state funding:
 - "Round 1" of IRWM funding for the Bay Area region represents about \$30 million of the total \$138 million available for the Bay Area Region under Proposition 84.
 - The DWR process for "Round 2" of IRWM funding is expected to commence late this year/beginning of 2012.

2012 Water Bond Status

- When originally included in the 2009 water package, the bond was set for 2010.
- Concerns about the bond's prospects resulted in the Legislature moving the bond to 2012.
- There are some rumblings of re-opening and/or reducing the \$11 billion bond, such changes would require a 2/3 vote of the Legislature.
- Should the bond be re-opened and revised, NBWRP should be engaged in the discussions.

2012 Water Bond

Potential NBWRP Opportunities

- In its present form, if passed by voters, several funding “pots” are relevant to NBWRP projects:
 - About \$190 million of the \$455 million “Drought Relief” category is available for water management purposes – including recycled water and related infrastructure.
 - Of the \$1 billion for the IRWM program, \$132 million would go to the Bay Area region overall.
 - \$1 billion statewide would be provided under the “Water Recycling Program”.
 - \$3 billion statewide would be available for water storage, under a competitive process to be conducted by the Water Commission.

Staying up to date on 2012 water bond debate and implementation is key

- If debate heats up in 2012 to modify bond, it will be important to be aware of debate and engage as beneficial and appropriate.
- If the voters pass the bond, seeking funding under the various pots and engaging in implementation policies will be critical.

Other Funding Issues/Processes

- **A quick note on other funding-related activities in Sacramento:**
 - SB 34 (Simitian) – Seeks to impose a water charge on water use for purposes of funding state and local water priorities – Tagged as a “tax,” so would take a 2/3 vote.
 - DWR – Finance Planning Committee for purposes of Water Plan Update process.

Keeping NBWRA - area Legislators Informed and Supportive

- Past project-area tours have included then-Assemblywoman, now-Senator Evans and staff, as well as staff for Senator Leno and former Senator Wiggins.
- With new legislative representation and new Administration staff as well, KP would be pleased to work with NBWRP staff and consultants to coordinate a Fall/Winter NBWRP -area tour.
- Such tours have proven to be vital when issues arise in Sacramento.

Conclusion

- Questions?
- Requests?
- Suggestions?