

**Preliminary Summary
Potential Funding Options for City of Santa Cruz
June 2015 Portfolio Water Supply Projects Including IPR and DPR**

The table below summarizes currently available funding options for the potential future project portfolios under consideration for improving the resiliency of the City of Santa Cruz’s water supply. Note that in almost all cases “shovel-ready” projects get preference. When the money is gone, it is gone—i.e., people are already staking their claims on the money.

Portfolio	Prop 50	Prop 1	SDW SRF Water	CW SRF (WW)	USBR Title 16/ WaterSMART/ Re-Act of 2015
1A – In-lieu Aquifer Recharge Using Winter Flows		X	X		X
1B – IPR (DPR) to Loch Lomond	X	X		X	X
2 – Winter Capture ASR	X	X	X	X	X
2B/3B – Direct Potable Reuse		X			X
3– Winter Capture ASR Accelerated with Indirect Potable Reuse for Seawater Intrusion Barrier Wells	X	X	X	X	X
4A – Winter Capture ASR Accelerated with Deepwater Desal		X	X	X	X
4B – with Deepwater Desal		X		X	X

- Prop 50 – 2002
 - \$66.7M – recycled water construction grants
- Prop 1 – 2014
 - Authorize \$7.12 billion in general obligation bonds for state water supply infrastructure projects, such as public water system improvements, surface and groundwater storage, drinking water protection, water recycling and advanced water treatment technology, water supply management and conveyance, wastewater treatment, drought relief, emergency water supplies, and ecosystem and watershed protection and restoration.
 - Appropriate money from the General Fund to pay off bonds.
 - Require certain projects to provide matching funds from non-state sources in order to receive bond funds.
 - Specific spending proposals in the proposition include:[2]
 - \$520 million to improve water quality for “beneficial use,” for reducing and preventing drinking water contaminants, disadvantaged communities, and the State Water Pollution Control Revolving Fund Small Community Grant Fund.
 - \$1.495 billion for competitive grants for multi-benefit ecosystem and watershed protection and restoration projects.
 - \$810 million for expenditures on, and competitive grants and loans to, integrated regional water management plan projects.

- \$2.7 billion for water storage projects, dams and reservoirs.
- \$900 million for competitive grants and loans for projects to prevent or clean up the contamination of groundwater that serves as a source of drinking water.
- \$395 million for statewide flood management projects and activities.
- \$725 million for water recycling and advanced water treatment technology projects.
 - \$625M proposed for recycled water funding (administered by SWRCB) with remaining
 - \$100M for desalination (administered by DWR).
- Funding Distribution:
 - 40% - Counties of LA, Orange, Riverside, San Bernardino, San Diego, and Ventura
 - 40% - Remaining counties
 - 20% - Any county
- In general, funding will be allocated to the State Water Board as follows:
 - 50% for loans (~\$300 million)
 - 50% for grants (~\$300 million)
 - Planning and Construction
- Drinking Water State Revolving Fund (DW SRF)
 - Low Interest Loan for Public (and some private) Agencies
 - Most are for construction projects
 - Interest Rate: ½ General Obligation Bond Rate
 - 20-year loan
- Clean Water State Revolving Fund (CW SRF)
 - Low Interest Loan for Public (and some private) Agencies
 - Most are for construction projects
 - Interest Rate: ½ General Obligation Bond Rate
 - 30-year Term
 - No limit of funding or disbursement amount
- USBR WaterSMART Program
 - Title XVI Water Reclamation and Reuse Program
 - Feasibility Studies Grants (\$150,000 – \$450,000)
 - Implementation Grants for Authorized Projects (\$2 - \$4 Million/Year)
 - Drought Response Program
 - Planning Grants (\$200,000)
 - Drought Resiliency Project Grants (\$300,000)
 - Cooperative Watershed Management Program Grants (\$100,000)
 - Agricultural Water Conservation and Efficiency Grants
- USBR RE-Act 2015
 - **Credit assistance** for up to 49% of total project costs with a repayment period of up to 35 years at Treasury interest rates
 - Annual **debt service savings** of 10-20 % or more
 - Improved **flexibility and cost-savings** in comparison to municipal financing
 - **Grants for Storage**

- Allows participation with local water management to develop small storage and conveyance
- Cost-shared grants of up to \$20 million per project or 25 % of total